UNDER THE GREAT MOGHULS

A survey of the effects of the early European trade on the economic conditions of India in the seventeenth century.

BY

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PREFACE

THE effects on the economic conditions of India of the trade with Europe in the seventeenth century was the subject once announced by the Bombay University for a prize essay competition. Being interested in economic studies, I took up the subject and applied myself to its study. But the task was a more difficult one than what I at first imagined. The more I read on the subject, the more diffident was I towards the satisfactory execution of the work undertaken. The manuscript was, however, ready when I was in Bombay; but as it had to receive some more thought and even re-writing in some cases, I had to postpone its publication. Mr. Natesan of the *Indian Review* gave me an early opportunity of placing this humble work of mine in the hands of the reading public, which, I do hope, will receive it for what it is worth. My thanks are due to the Manager of the *Review* also.

My original plan included a chapter on the finances of the Moghul India. But as, I had to

leave Bombay to accept the present post, I had to postpone writing it out till my going back to Bombay, where one is able to get all reference books and such other facilities required for the purpose. If occasion arises, I may try to include a chapter in next edition.

I shall be glad to learn that this book has been of some use to the general public and the students of economics in particular. And more so if the perusal of this little work induces them to study the subject further and lay the result of their studies before the public.

I take this opportunity of thanking all those who encouraged me while I was writing this essay, and those who went through the manuscript and made certain useful suggestions. In deference to the wishes of these persons, some of whom are competent authorities, I refrain from mentioning their names.

GOKAK,
DASARA DAY,
1928.

K. G. WARTY.

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UNDER THE GREAT MOGHULS.

CHAPTER I.

INTRODUCTORY.

SOURCES OF HISTORY

THE one difference between the history of England and that of India is that the one is a story of the growth of the people while the other is the story of the monarchs, the subjects playing a minor part in the affairs of the nation. The Indian historians record the movements of kings and great magnates to the total neglect of the life and the economic conditions of the ordinary people. Economic history, as such, was quite unknown to them and hence we find ourselves at a disadvantage when we begin our inquiries into the manner and standard of living of the Indians during the early modern age. But the history of the activities of the people in the directions of commerce and trade especially during the period which we are going to study, should

indeed prove very interesting to the students of Indian Economics. We have at our disposal scanty literature on the subject and meagre sources to draw upon. A few historians like the author of the *Ain-I-Akbari* record incidentally some figures which, owing to the dearth of them, seem very important and as such, are fully made use of by those who have laboured in the direction of supplying a connected account of the economic history of India in the seventeenth century. The other source of information on the subject is the great pile of pamphlets written by the English controversialists on the East India trade and the descriptive narrations of the host of travellers who visited India during the course of the century. To our disappointment again, these writers are more or less concerned with the growth and development of the trade carried on by their fellow-merchants evidently in their own interest and that of their nation. Scarcely do we find in them the needed information about the economic condition of the people and the effect on them of the European trade during that century.

DIFFERENT ASPECTS OF STUDY

It goes without saying that the European trade in general and the East India Trade in particular had had very important effects on the welfare of the people. Commercial transactions between two or more countries are the source of income and material advantage to all of them concerned. The old belief that in any commercial transaction if one country derives some advantage out of it the other loses has now been blown to the winds; but we should note here that this belief was a current one in the century which we are going to study. And, therefore, it would not be out of place if we endeavour to study our subject with a view to arrive at a conclusion as to whether England or India had the upper hand in the bargain. There is one more aspect of the study and that is from the purely student's point of view, who would, as students with a scientific bent of mind, try to evolve some theory out of the whole transaction. Thus the East India Trade and its effects in general can be studied from three different points af view. The short space at our disposal does not allow us to

consider at length all the aspects of the problem, and, therefore, while we shall cursorily review some of them, we shall deal principally with the important view-point, namely that of the Indians and the economic gains that they derived from the East India Trade.

ENGLAND'S POINT OF VIEW

The primary object with which the European merchant-adventurers came to India, as we shall see below, was to make a profit out of the merchandise they carried to and from India.

Though the Portuguese were the first in the field, it was the prosperity of the Dutch which was instrumental to bring the people of Great Britain to take part in the East India trade. Some of the daring English merchants joined together in a Regulated Company for the purpose of partaking of the enormous profits accruing to the Dutch out of their commercial activities in the East and arranged to equip and send what are known as the twelve separate voyages to India. The records of the India Office give testimony to the fact that these voyages could obtain for the merchant-

adventurers a yearly dividend of about 20 per cent. on an average. From the economic point of view then, England gained by this connection with the East not only in the beginning but even in the end. The development of Eastern trade had its effect in the increase of 'home production' of articles to be exchanged for Eastern goods and especially in cloth trade.* But this forms the appropriate subject matter of the economic history of England and, therefore, is important to the people of that country.

Economist's point of view

The students of Economic Science would, on the other hand, look to the theoretical aspect of the question. They would try to establish some economic theory on the basis of development of the East India trade, which, as a matter of fact, is cited as an example in

* 'This improvement in English manufactures led to increased trade with our colonial possessions, especially in the West Indies. It was partly, perhaps, this great development of English trade with both the Western and Eastern markets that stimulated the genius of the great inventors to supply our manufacturers with machinery that would enable them to meet the huge demands upon their power of production'.—Gibbins: *Industrial History of England.*

support of the theory of the Balance of Trade or to use the more common term, the Mercantile System. The first Englishman to give a systematic statement of the theory was Thomas Mun, the author of *A Discourse of Trade from England to the East Indies* and *England's Treasure by Foreign Trade.* This theory bore a very great influence on the early growth of the Eastern Trade and, therefore, it would not be beside our point to mention here leading ideas and peculiarities of the system. Identity of wealth and money was its first doctrine. Wealth never existed without and outside money. The aim of every nation was to increase wealth, that is, to secure as great an amount of money as was possible for it. Money consisting chiefly of precious metals was never to be exported from their county. The mercantilist did support the growth of foreign trade; but it was to be increased by exporting in exchange these precious metals with which they may be said to be in love. As the exports greatly pay for the imports, the precious metals could be imported only when there was a favourable balance of trade. The

exports were always to exceed imports so that the nation may be enriched by the importation of bullion; and it was considered to be the duty of the Governments to resort to all available expedients for the purpose of securing such a balance. "High duties on imports were resorted to, at first, perhaps, mainly for revenue, but afterwards in the interest of national production. Commercial treaties were a principal object of diplomacy, the end in view being to exclude the competition of other nations in foreign markets, whilst in the home market as little room as possible was given for the introduction of anything but raw materials from abroad. It is evident that what is known as the mercantile doctrine was essentially the theoretic counterpart of the practical activities of the time". The truth of these remarks of Dr. Ingram in his *History of Political Economy* becomes evident when the history of the East India Trade is made the subject of careful study. For more than half a century the East India traders had petitioned time and again their sovereign to intervene to check the foreign competition on the strength

of the mercantilist theory ; but the same people later on, in contravention of the doctrines which they had at first done their best to enforce, began to base their arguments on the principles of Free Trade in favour of their activities, when strong protests from the bullionists were recorded against the export of bullion to purchase Indian manufactured goods. It was Mercantilism that gave the East India Company a strong foothold in the Eastern Trade in the beginning of the century and the same mercantilist doctrines were responsible for the prohibition of the importation of Indian manufactured goods in the English market, thus in a way putting a heavy check to the flourishing trade of the Company. " The East India trade in the seventeenth century furnishes us with a good example of the way in which Mercantilism received its impetus. For over eighty years the petitions of the Company harp on the same theme— the absolute necessity of protection by the Crown against their rivals in the East. After the realisation of its wishes by Charles and the phenomenal growth of trade that resulted

therefrom, we find a characteristic change in its policy. It no longer desires "fussy" interference with trade but advocates free trade. This was due to the fact that the increased importation of Indian commodities led to fierce attacks on the Company. The latter, in self-defence, advocated freedom from restrictions on the importation of Indian commodities into England."* This advocacy of Free Trade policy on the part of the Company at the close of the century cost it its trade in manufactured silks and calicoes.

INDIA'S POINT OF VIEW

This brings us to the third aspect of the subject—an aspect which is of importance and interest to the students of Indian Economics. The question before us may be stated thus: How far was the development of European trade in the seventeenth century beneficial to India? How did it affect the manner of living and economic condition of the people of this country? Even after taking into consideration the observations of many of the European

* Khan, S. A.: *East India Trade in the 17th century* Page 143.

travellers and also of some of our own historians it is very difficult to arrive at any definite conclusion, for the simple reason that we are at a disadvantage so far as any definite data of information are concerned. We must own here that whatever conclusions we have arrived at after a careful study of what little literature we have on the subject, should be taken as not final.

We should, therefore, begin to study this subject with all open-mindedness, without any bias or prejudice. We should adopt an attitude which should lead us to take as wide a view on the subject as possible. When the East India Company began its operation in India, it had first to obtain permission to trade from the rulers of this country. We find in one of the requests for permission to the Moghul Emperor a statement which describes the advantages that India may derive from the trade. It runs:

"Moreover, it is not unknown to the king what prosperity trade of merchandise bringeth to all lands, with increase of their revenues, by the custom of these commerces.

Also princes grow into the more renown, and strength, and are the more feared for the wealth of their subjects, which by the concourse of merchandises grow and increase.

And the more kindly that strangers are entertained, the more trade doth grow; the prince is thereby much enriched also*".

Indeed this is the narrowest view of the subject that we can take. The merchants cannot be blamed for placing before the king only the advantages that the king would obtain from the trade with foreigners. For their object was to secure permission from the king and the above statement of benefits would have served their purpose. Or, perhaps, they believed in the converse of the paradoxical remark of Quesnay, which would now read that rich kings make rich kingdoms and rich kingdoms make rich peasants. The scope of our enquiry, however, should not be limited to this one-sided view. We shall investigate into the matter with the object of acquiring some knowledge

*From Lancaster's *Voyages*. Quoted in Das Gupta's *India in the 17th century*.

of the economic condition of the people and of the effects the trade had on it. The economic progress of a people cannot be narrated in the same manner as we describe the political history of a country by means of stating some events that take place one after another. It is slow and continuous progress hardly perceptible in its march. The method that has been followed by writers on economic history is to compare the conditions of the people at two different points of time and, thus finding out the changes that might have taken place during that period, to endeavour to account for those changes with the help of the stray incidents in the life of the people. Following the footsteps of those writers we should better understand in the first place the economic condition of the people of India at the beginning of the seventeenth century: and then in order to have a working idea of the East India trade we would briefly survey the history of the activities from the establishment of the East India Company, to the passing of the act of Parliament in 1700. This histori-cal survey would enable us to gauge the extent

of its influence on the Indian economic conditions, especially on the growth of ports and means of transportation, and the standard of living of the people in general. The effect of the general level of prices on the producers as well as consumers, and the disastrous effects of British shipping and the famous Navigation Laws on the shipping industry of this country would not, however, fail to draw our attention in the course of our enquiry.

CHAPTER II.

THE PEOPLE AND THEIR MODE OF LIFE.

Writers on Indian History are much obliged to that great literary man of the time of Akbar, Abul Fazl, who has left for them a mass of information about his times in his famous *Ain-I-Akbari*, which has been much availed of by modern writers on the subject of Indian History. But the works of Mr. Moreland and Mr. Sewell are also of equal value as they are written on the strength of original authorities. And we may own here that however pretentious we may be as to our originality in this enquiry it is but our duty to acknowledge the debt we owe to these writers especially as regards the subject matter of this chapter and the one that follows.

At the beginning of our enquiry into the mode of life of the people at large, we shall have to accept some of the conclusions that have been arrived at by writers on the subject after a careful scrutiny of various evidences that were before them, for the obvious reason

that we have got a limited space at our disposal and that they are to a certain extent outside the scope of this enquiry. Let us in the first place, agree with Mr. Moreland in taking the total population of India at the death of Akbar the Great at a round figure of one hundred million souls! * The pioneer writers have also come to hold a view that the condition of the majority of the people was not, from an economic point of view, a happy one and that the mass of people was passing a poor miserable life, while the fortunate few were rolling in riches with all possible comforts and luxuries. There are other writers also who mainly speak of the general condition of the people, and Hindus in particular—who constituted the seven-eighth part of the entire population of the provinces subject to Mohamedan rule—as one of contentment.† And though it is difficult to find the truth out of these, one would take

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* Moreland's *India at the death of Akbar*, page 22.
† Malleson's *Akbar* (Rulers ot India) page 74.

"According to all concurrent testimony, the condition of Hindu population, who constituted seven-eighths of the entire population of the provinces subject to Mahomedan rule, was one of contentment. They were allowed the

the conclusions of those who have studied the period with the special purpose of arriving at them from an economic view-point as more correct than those of the writers in general.

THE THREE CLASSES OF PEOPLE

Economically the people are divided into three classes, namely, the Upper, the Middle and the Lower. The Upper class of the time of Akbar consisted of nobles and high officials of the State, including men in the Military service. They had not a separate caste such as we find in some of the European countries. They were more or less the creatures of the Crown. The class could be well compared with that in England, with this only difference, that while in Great Britain the nobility is inherited by the first-born male child, in India, it ceased to exist with the person who was elevated to that eminent position. As Bernier informs us, these consisted " mostly of adven-

free exercise of their religion, though they were liable to the jizia, or capitation tax imposed by Mohamedans on subject races of other faiths. But in all the departments of Government, the Hindu element was very strong. In most provinces the higher classes of this faith maintained a hereditary jurisdiction subordinate to the Governor; and in time of war they supplied their quota of troops for service in the fields."

turers and strangers of all sorts of nations, which drew one another to this court; men of a mean descent, some of them slaves." In other words and to be more near to the fact, the rise or fall of any person in the kingdom depended on the whims or pleasure of the King*. These remarks are not only applicable to the state of affairs in Northern India but also in the Southern. The importance of this class lay in the fact that the welfare of the mass of the people was in their hands. The second group of men belonging to the middle class was practically non-existent at the time which is the period of our enquiry. At least the writers of the period are as a rule reticent on the existence of this class. It is believed that in the first instance there were very few men of letters and those were from among the noble and the rich. The profession as such did not exist; because even the work of imparting instruction to the young was combined to the sacred duties of the priests of different religions. Or we may even conclude that the only education that

* See Bernier's *Travels*, pages 191-92.

was given in those times did not go beyond the elementary knowledge of some of the religious tenets. While the number of physicians could be counted on finger-tips, the profession of the lawyer did not exist.* And if at all this class was in existence it was sterile as the physiocrats would say. However, the only people that could be brought under this middle class were the merchants of the time whose strength depended on the volume of trade and commerce, which at the beginning of the century, was negligible. As against the upper class the lower class which comprised the peasants, artisans and labourers was steeped, according to the records that give some glimpse of those times, into that poverty which is proverbial in India. As Nikitin observes: "The land was overstocked with people; but those in the country were very miserable, while the nobles are extremely opulent and delight in luxury."

THE ARISTOCRACY

We have noted above that the members of the aristocracy were enjoying all the riches.

* Moreland's *India at the Death of Akbar*, page 35.

But though this was a fact, the responsibilities that lay on their shoulders were not few and insignificant. As every one of this class was occupying a high post either in military or civil department his income was necessarily derived from the treasury of the Crown. The salaries were not fixed sums. According to Abul Fazl there were six ranks of the officers of the Crown, ranging from those who were at the head of 5,000 cavalry or Umdas, as they were designated, to mansabdars commanding only a small number of ten. The Umdas drew a salary which stood between Rs. 16,700 to Rs. 30,000, the Amirs from Rs. 2,100 to Rs. 8,200 and the mansabdars from Rs. 75 to Rs. 250.* The practice of granting jagirs or assignments of villages, the revenue from which was to be enjoyed by the officer was not favoured by Akbar who could understand the advantages of cash payment to his officers, a practice which was not afterwards liked by Jehangir and his successors, perhaps owing to the difficulty of securing sufficient money in the treasury at the end of every month. It is also believed

*Moreland's *India at the Death of Akbar*, page 66.

that the officers were not fortunate in getting their salaries at the appointed time. However, we can take for our purpose that their income was not necessarily a fixed one. Turning to the expenditure side we should first take a note of what part of their income was spent on the necessaries of life; what on comforts required to maintain the efficiency of work and what on luxuries. The first necessity on the part of an officer of the Crown was to maintain from his income a force of armed men fixed according to his station in life. And it is believed on the authority of Abul Fazl, that a little over one-third of his income was used on this item. So in fact his income may be reckoned at two-thirds of the amount stated in official records. One half of this net income was required for the necessaries and comforts and the the rest was spent either on luxuries or savings. If we take a case of first rate Umda, who drew Rs. 30,000 per month, we find that about 10,600 was spent on maintaining sawars, about 9,000 on necessaries of life and comforts and the remaining amount on luxuries such as the novelties imported from abroad, refreshing

fruits and dainty dishes, costly clothes, elephants and horses and a very large staff of menials and servants. The practice of sending presents to the Emperor and to the immmediate superiors was so much in vogue and also deemed to be essential lest the King may be displeased and remove him from his official position, that it sometimes drove this unfortunate member of the nobility to incur debt on this account. Bernier's remark in this respect in the latter half of the century is significant. "I see none", he says, "but very few that are rich: but many that are uneasy and indebted; that which exhausted them, are the great presents which they are obliged to make to the King at certain festivals of the year." The vast expenses that they had to incur to maintain an establishment of their own was another cause of their indebtedness.* Of course this was not the case with all the members of thc aristocracy. Those who were rich enough could, besides fulfilling all their responsibilities in this regard, build very beautiful houses to dwell in and

*Bernier's *Travels*, page 194.

religious mosques for prayers or give a large and liberal donation in the service of God. Hoarding money especially in precious metals and stones was not uncommon. Bernier tells us a story of a noble who bequeathed all his property to his widow who hid it underground so that the king might not be able to find it out, and of his prodigal son who finding that his mother would not give him as much sum as he wanted to squander away appealed to the Moghul Emperor Shahjehan to redress his grievance with the result that the Emperor ordered the widow to pay half the amount to the king's treasury and the other half to the son.* This incident, apart from its effects on the widow or her son, furnishes us with an example of the custom of the times of taking back into the treasury of the Crown all the wealth of a nobleman after his demise. Aurangzeb himself is said to have written in a letter to his father as follows : "We have been accustomed, as soon as an Omrah (noble) or a rich merchant has ceased to breathe, nay, sometimes before the vital spark has fled, to place seals

* Bernier's *Travels in Hindustan*, page 146

on his coffers, to imprison and beat the servants or officers of his household until they made a full disclosure of the whole property, even of the most inconsiderable jewel.' * This custom was evidently responsible to the habit of hoarding under the ground and also of leading a life of luxury and pleasure. To conclude this short account of the upper class living we may say without hesitation that the "luxury of the nobles could scarcely be described,' and that " their one concern in life was to secure a surfeit of every kind of pleasure," a judgment which may be compared with Roe's dictum that " they are nothing but voluptuousness and wealth confusedly intermingled."

THE MIDDLE CLASS

It is generally supposed that in India middle class as such does not exist ; † and therefore, it is no matter of surprise if it was not existing at the time of Akbar or Jehangir. The profession which is at the present time known as liberal profession was unknown in those times.

* Bernier. †Shah and Khambatta *Wealth and Taxable Capacity of India*.

The religious priests had the teaching profession in their hands and these were more or less attached to some temple or mosque. There was no literary profession to be followed by the people because the work was carried on either by members of the nobility or by the priests. Another cause for the absence of this class of workers was the meagre literary instruction that the people got at the hands of their teachers, who themselves being partisans of one religion or other, used to impart very little that was worth the name of education and this was sure to have its effect in the bigoted views about one's own religion and hatred of that of others. What small number of literary men that the time could produce were almost in the courts of one king or another with the result that they had not to struggle in this world for their livelihood. Excepting Hakims, physicians as such there were none; and the professional lawyers were never found.* There were, it seems, some astrologers or at least one in every village; for we find mention of this class in more than one book as one

*Moreland: *India at the Death of Akbar*, page 26.

which was often consulted by the people of the village. Bernier remarks in this connection: "Most people of Asia are so infatuated by Astrology, that they believe there is nothing done here below, but 'tis written above (for so they speak). In all their undertakings therefore they consult Astrologers. "When two armies are ready to give battle, they beware of falling on, till the Astrologer hath taken and determined the moment he fancies propitious for the beginning of the combat. And so, when the matter is about electing a Captain-General of an army, of despatching an Ambassador, of concluding a marriage, of beginning a voyage, and of doing any other thing, as buying a slave, putting on new apparel &c., nothing of all that is done, without the sentence of Mr. Star-grazer; which is an incredible vexation, and a custom drawing after it such important consequences, that I know not how it can subsist so long; for the Astrologer must needs have knowledge of all that passeth, and of all that is undertaken, from the greatest affair to least".* This

* Bernier's *Travels in Hindustan*, pages 144-45.

belief in the astrologers might have been an inducement to many to follow that profession; but with all these possibilities we cannot say definitely that their number was a considerable one, because very little has been said about them as regards their way of leading their lives. The merchant and traders, as we have mentioned above, being the only persons of the middle class of whom something has been written by the writers of the time, were in spite of their wealth and increasing earnings, not in a position to display their grandeur, nor could they live as the members of the upper class did. Many of them found their life very hard; but where this was not the case, "ostentation was as dangerous as it was desirable in the case of courtiers". According to the traveller named Terry "there are very many private men in cities and towns, who are merchants or tradesmen, that are very rich: but it is not safe for them that are so, so to appear, lest they should be used as fill'd sponges"; while Bernier observed that " rich men study to appear indigent" and that " let the profit be ever so

great, the men by whom it has been made must still wear the garb of indigence". "These observations" says Mr. Moreland, "are probably of general application, and they help us to understand the thrifty or even parsimonious scale of living which characterises so many of the commercial class at the present day"*.

THE LOWER CLASS

That much familiar word "poverty" supplies us with the exact keynote to the description of the people of the lower strata. The narratives of travellers give us the evidence of not only their miserable way of living but also of their least resisting power against famines which are considered to be the common disaster in India. Heavy mortality, enslavement of children and cannibalism were the natural

* "Each governor of feudatory sought to extort as much as possible out of his province or jagir, in order to have capital in hand when he should be transplanted or deprived, and in the remote parts of the empire the rapacity of the land-holders went on almost unchecked. The peasantry and the working class and even the better sort of merchants used every precaution to hide such small property, as they might enjoy; they dressed and lived meanly, and suppressed all inclination towards social ambitions."

Lanepoole, *Mediæval India*, page 379.

accomplishments of these dreadful famines; and the description of the famine of 1630 in Gujerat simply makes us shudder.* The people had, therefore, always before their eyes the dark picture of the calamity, for which they were preparing, as it were, all the day and night.

THEIR MODE OF LIVING

With this general idea of the economic condition of the mass of the people, we may little hope to find them doing their work with considerable efficiency and vigour. The peasants could till their fields and reap the harvests as usual but with a very low expectation for their labour. Much of what they produced was consumed by themselves for they rarely tried to increase the yield of the crops for fear of being heavily taxed by the Government. In fact what they produced were the necessary food grains such as rice, millets and pulses. Bernier tells us that the most common food of the people was 'kichery' which was made of rice and pulses. It is said

* The description is found in Moreland's *From Akbar to Aurangzeb*, page 212, see also on page 50.

that *ghee*, oils, and other fats were cheap compared to the prices of grains and we may surmise that these were freely used by the people. As for sweets, gur or raw sugar was preferred by the people to the refined sugar which, according to Mr. Moreland, was more than luxury to the poor. Contemptuously miserable was the housing accommodation of these people or as Terry puts it, it was 'miserably poor, little and base." The condition of the houses or the furniture with which they were furnished seem to be in no way better than what we find them to-day in many of the remote villages of India. The earthen vessels in which food was to be dressed, the mats of straw to sit or lie on, the plantain leaves that served the purpose of 'tables, table-cloths and napkins' and scarcely any metal utensil are the familiar things that we find in the possession of these uncivilised but wise, uneducated but very courteous kunbis of the present day. They usually used to go about barefooted and almost naked. The Hindus of the Deccan are described by some foreign writers of the seventeenth century as 'all naked and bare-

footed" while as regards the people of Gujerat it is said that "some of them go naked and others cover only their privities." The picture drawn by Emperor Babar is evinced in the following words of his :—"The peasants and people of lower classes all go about naked. They tie on a thing which they call a *lungoti*, which is a piece of cloth that hangs down two spans from the navel as a cover to their nakedness. Below this pendant modesty cloth is another slip of cloth, one end of which they fasten before to a string that ties on the *Lungoti*, and then passing the slip of cloth between the two legs, bring it up and fix it to the string of the *Langoti* behind. The women, too, have a *Lang*, one end of it they tie about their waist, and the other they throw over their head". The descriptions reveal no new thing to Indians though it was natural that the foreigners were struck by the bareness of the dress. However, to be short, compared to our present fashion, we may take it that the common people were going "quite naked with the exception of a piece of cloth about their middle"

SUMMARY

The picture of economic life of the people of India at the beginning of the seventeenth century could not be more briefly and truly presented than in the following words: "The picture which I see is this. The upper classes small in numbers and consisting largely of foreigners, enjoyed incomes which were very great relatively to reasonable needs, and, as a rule, they spent these incomes lavishly on objects of luxury and display. They did practically nothing towards promoting the economic development of the country, and such part of their income as was not spent was hoarded in unproductive forms. The single benefit resulting from their activities was indirect: their patronage of foreign merchants, dictated solely by the desire for novelty, in fact facilitated the openings of new channels of trade, and thus paved the way for economic developments in the future. Enjoying this patronage, the merchants on the coast adopted a somewhat similar style of living, but elsewhere it was dangerous for traders or men of business to

indulge in open expenditure, and, like the rest of the middle classes, they lived inconspicuous and probably frugal lives. The great bulk of the population lived on the same economic plane as now: we cannot be sure whether they had a little more or a little less to eat, but they probably had fewer clothes and they were certainly worse off in regard to household utensils and to some of the minor conveniences and gratifications of life, while they enjoyed practically nothing in the way of communal services and advantages. That is the picture itself; in the back-ground is the shadow of famine, a word which has changed its meaning within the last century.*"

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*. Moreland's *India at the Death of Akbar*, pages 279-80.

CHAPTER III.

THE FACTORS OF PRODUCTION.

THE LAND: GEOGRAPHICAL FEATURES.

The wealth of a nation primarily depends upon the strength of the country to produce commodities, agricultural or manufactured, either for the consumption of the people inhabiting the country or for the purpose of exporting them, which may bring in enough purchasing power in the market of the known world. It is indeed a little difficult with the scanty literature at our command to describe the agricultural and industrial position of India at the beginning of the seventeenth century, when the new elements introduced by the early European trade had not begun to show their effects on either the agriculture or on the commerce of the country. There is reason to believe that the commodities that were produced in these days were the same as of to-day with the solitary exception of a dye-yielding shrub called *Al,* which now ceased to be produced owing to the competition of the modern

dyes. The cereals, rice, wheat, barley, millets, pulses, sugar-cane, cotton and hemp, and oil-seeds were the familiar and chief products at that time; while indigo and poppy formed the minor ones. As for the local aspects of agriculture, we need not have any authority on the subject; for it is always determined in a predominantly agricultural country like India by the condition of the soil, or climate or water-supply in such parts of the country where lands are cultivated. India is fortunate in having large rivers watering practically the whole of the continent save in Rajputana, Central Provinces and some parts of the Bombay Presidency. The Ganges, with its course passing through the provinces of Oudh and Agra, Bihar and Bengal, has turned the lands on both the sides of its vessel rich and fertile. The Indus and its five tributaries have enriched the Punjab; and the Mahanadi, the Godavari, the Krishna and the Cauvery, to name only the important ones, have been the chief causes of the agricultural prosperity of the Madras Presidency. The major portion of the Central Provinces and of Bombay suffer from the absence of such

facilities of either watering-rivers or irrigation in spite of the vigorous efforts of the British Government of the day. The irrigated area in those times was undoubtedly inconsiderable, and the artificial irrigation such as digging canals was for all practical purposes unknown. The position of the Central Provinces of to-day was the normal position of the whole of India of the seventeenth century, so far as irrigation and such other agricultural facilities were concerned. The usual way of irrigating any of the lands was by means of buckets, drawn from wells which were sunk for the very purpose. Babar has described in his Memoirs the method of irrigation practised in the country round Agra, in the course of which he observes: "At the well-edge, they set up a fork of wood, having a roller adjusted between the forks, tie a rope to a large bucket, put the rope over the roller, and tie its other end to the bullock. One person must drive the bullock, another, empty the bucket." This method of supplying water to such of the lands as require it is not quite unfamiliar to us even in these days. Akbar could understand the difficulty of the poor

cultivators in this respect and therefore had endeavoured to afford such facilities as he could, though not with a consistent policy, by "the making of reservoirs, wells, water-courses, gardens, sarais, and other pious foundations," to the people who inhabited the Moghul territories. In the South, we know from Mr. Sewell that the Emperor Krishna Raya had begun some efforts to improve the irrigation in the neighbourhood of Vizianagar, while the Deccan was in the same position as was the Northern India. The condition of the Konkan is described well in the following passage taken from Sidney Owen, and this description is applicable to the whole of the western coast of India. He says in his INDIA ON THE EVE OF THE BRITISH CONQUEST: "The broken and contorted land, writhing from the rugged and indented sea-margin, shoots aloft in steep and terrific cliffs and craggy summits, whose beauty and majesty must be seen to be understood. Impetuous torrents leap from the mountain sides, rive, in their headlong career seaward, the uneven and craggy surface of the coast-land; and hollow *nullas* of the dry

season are, on the approach of rain, transformed in a few hours into deep, furious and impassable cataracts. The thunderstorms of these regions are terrific: the deluges of rain, violent, copious, and frequent, beyond all comparison elsewhere in India. Roads throughout the greater part of the country there are none; the character of the ground and the luxuriance of the forest jungles alike preclude them." Under these circumstances, we cannot expect to have advantageous environments in the Konkan and the sea coast for the purposes of agriculture, which, to a great extent, depends on the rains of the south-west monsoon. To conclude the position of irrigation in the time of Akbar, we may agree to say with Moreland, that "practically the whole canal system is of later date: in Akbar's time, there were some inundation channels on the Indus, and there were the remnants of the aqueducts constructed by Feroz Shah to supply the gardens and cities established by him, but the value of these works was essentially local, and the country as a whole depended either on wells or on the minor streams which

were utilised by means of temporary dams. We must therefore picture conditions in the north as approximating to those which now prevail in the centre of the country, large expanses of dry cropping with patches of more productive lands in places where a stream could be utilised or where efficient wells had been made".

LOCAL ASPECTS OF AGRICULTURAL PRODUCTION

The *Ain-i-Akbari* furnishes us with a detailed account of the local aspects of agriculture in the 12 *subhas*, a study of which may help us to understand well the agricultural position of India, especially of the northern parts of the country. The predominant harvest in Bengal was rice which mainly depends upon the abundance of water supply, which the province could get, not from the rains as in the Deccan or Madras, but mostly from the Ganges and its tributaries, for we mark along with the course of the Ganges the growth of rice and also of sugar-cane. It was Bengal that practically fed the western coast of India with wheat, rice and sugar*. Though the crop of

* Moreland: *India at the death of Akbar*, page 120.

jute was not known at the time, there was what Abul Fazl tells as "a kind of sack-cloth" that served the poorer classes with clothes to wear. Bihar furnished with poppy, rice, wheat, sugar-cane and cotton. The sugar-cane was of the highest quality, and it is believed that the Moghul capital was supplied with wheat largely from this part of the country. About the provinces of Allahabad and Oudh, the *Ain* tells us nothing more than that they were agriculturally flourishing provinces. Millets, pulses and oilseeds were the principal crops of the province of Agra, while cotton was grown almost everywhere in the Deccan, and rice, cotton and jowar and certain pulses in the parts that had been included in the Kingdom of Vizianagar. The Malabar coast could, as at present, boast of cocoa-palms and also of pepper. To be short, the result of this situation, as far as agriculture was concerned, is found in the following passage from Moreland: "We do not know the income of commodities which India yielded at the close of the sixteenth century, and any dogmatism as to its amount would be unjustifiable, but the data

appear to me to be sufficient to indicate that, taking the country as a whole, the average per head cannot have been greatly different from what it is to-day. The main lines of agriculture have not changed, and the tendencies affecting the amount of production have operated in opposing directions".

AGRICULTURE AND INDUSTRIES

Let us now turn our attention towards the way in which this agricultural production of the country was utilised for the purposes of developing the industrial pursuits of the people. India herself being a predominantly agricultural country, we may, as a matter of course, expect her to supply her sons with all the necessary food-stuffs. But even for clothing them, they had not to depend on the sweet will of other countries; she could produce sufficient cloth, rough and coarse though it be, especially in the Deccan and in the Malabar, for the consumption of the people, who, owing to their poverty, as we have already observed above, went practically quite naked. Not this only but the production from the weaving industry of the country was such as

could supply a commodity for the export trade of India. What little silk and velvet was imported was exclusively for the rich. Metals were no doubt imported, but in the form of raw material which had to be and was worked up in the country itself. "As for articles of luxury or display, while their production employed many Indian artisans, the prevailing taste for novelty secured a market for the first supplies of almost every article coming from abroad, though from the nature of the case, it was not usually a large or durable market". The imported articles of the time chiefly included raw silk, ivory, coral, tortoise-shell, amber, gold and silver, lead, tin and zinc and, to a certain extent, copper. To put the same thing in another fashion, we may conclude that excepting those articles that were imported from abroad, India was in a position to produce all the necessaries of life. The production of salt was very important inasmuch as it could be produced in any quantity from the water of the sea. There were indeed no flour mills, but the flour was prepared at home by means of grinding stones which even now

are made use of in almost all households in villages. Refined sugar as such was little known, but the commonest form of production from sugar-cane was jaggery or GUR. Evidence is found that goes to prove that some methods, though primitive in nature, were adopted for the purpose of pressing out oil from oil-seeds. The metal work was not very common for the reason that the market was very narrow as the demand for such wrought articles arose only from extravagant ruling classes and some of the foreigners*. " Generally speaking " says Mr. Moreland, "it may be said that at this period, India was very nearly self-supporting, and that her imports were limited to certain metals and raw materials, together with a large number of articles of luxury required for consumption by a very small proportion of the population."

THE TEXTILE INDUSTRY

Among other industries to be noted is the silk-weaving industry which was a minor one at the time of Akbar. It was also observed somewhere that Gujerat was able to export

* **Moreland:** ***India at the Death of Akbar*****, page 160.**

some silk-goods to East Africa and to Pegu. But the home market was more important, for it was considered a fashion of the day for a noble or a sirdar to wear silk wardrobe if he intended to move in good society. Kashmir was the principal seat of this industry as it was of shawl-weaving mainly from hair. Woollen goods were not very common; and much of the consumption of the upper classes was of imported woollen goods. The much more important or rather the most important textile industry was of cotton. Hemp was, of course, in use, but to a very limited extent, and jute was practically unknown at the time; and hence cotton goods were in common use and produced in almost every part of the country. Gujrat ports are said to have been exporting cotton goods to Africa, Egypt and Arabia and the ports of the Malabar coast, to Burma and Eastern islands. Pyrard says with some exaggeration that every one from the Cape of Good Hope to China, man and woman, was clothed from head to foot in the products of Indian looms. As a matter of fact, India was known for a very long time as a producer of

cotton goods, which formed the most extensive industry in India. It was the Malabar product which was exported by the Portuguese and the Spaniards to Malacca and Eastern Islands, from which place they used to purchase the spices for the purpose of trading with European countries. It can be inferred that the weaving industry was localised in or near the ports which could export these manufactured cotton goods with ease and at a little expense. "Indian looms had a practical monopoly of the home market for clothes, and, in addition, had three principal export markets, Arabia and beyond, Burma and the Estern Islands, besides minor outlets in various other parts of Asia and on the east coast of Africa.. The production carried on to meet this demand was diffused throughout the country, but the distribution was not uniform; certain localities had acquired a reputation for special classes of goods, while facilities for carriage had led to considerable concentration of the industry in particular areas, either on the coast or along the inland water-ways. Of the general diffusion, there can

be no doubt, wherever a European penetrated inland, he found cloth being produced along his route and it is reasonable to conclude that the organisation, of which the remains are still visible, was at this period in full operation, and that all towns and most large villages produced the bulk of the cloth worn in the locality." *

No word seems to be necessary for the fineness of the famous Dacca muslins; and the extent of its trade can be gauged from its very reputation.

CAPITAL.

Capital, the second factor of production, was, at the time of Akbar, practically negligible. The producers had to supply themselves with tools made of metals imported from abroad or wooden implements. It is believed that the cattle-breeding was better in those times than at present, almost every cultivator having a pair of bullocks to till his lands. Large-scale production was not known; and the peasants had absolutely no idea of what is now called the co-operative movement. The only record of factory work or workshop on a large scale

* **Moreland:** ***India at the Death of Akbar*****, pages 181-182**

is found in Bernier's description of Delhi. * He says, "there are many great halls that are the *Kar-kanays*, or places where handi-crafts-men do work. In one of these halls you shall find embroiderers at work, together with their chief that inspects them; in another, you shall see goldsmiths; in a third, picture-drawers; in a fourth, workmen in lacca; in others, joiners, turners, tailors, shoemakers; in others, work-men in silk and purfled gold, and in all those sorts of fine cloth, of which they make turbans, girdles with golden flowers, and those drawers of ladies, that are so fine and delicate, as that sometimes they last them but one night, though they often cost them ten or twelve crowns, when they are of that fashion, as I have mentioned; I mean enriched with those fine embroideries of needle-work". But such workshops were not organised on a large scale and with a view to make profit out of the con-cerns. True it was that the people at the court were rich and could save something if they wished to do so and invest their savings in productive concerns; but the

* Berner: *Travels in Hindustan*, page 241.

fear of the heavy taxes of the State was a greater hindrance to the habit of saving. Terry tells us definitely that money was extracted by the officers of the State "out of all labours of that people who makes the curious manufactures," with the result that the rich nobles had to find out some means of spending their surpluses over luxuries and unproductive purposes. Mosque or temple building was a familiar way of utilising money; for it could give the spender an opportunity of spending, and at the same time the satisfaction that he had done something in the service of God.

LABOUR.

Coming to labour we find it was abundant and therefore cheap. This was undoubtedly a convenience to foreigners and to the rich. Babar observes in this connection : "Another convenience of Hindustan is that the workmen of every profession and trade are innumerable and without end. For any work, or any employment, there is always a set ready, to whom the same employment and trade have descended from father to son for ages." * The majority

* *Memoirs of Babar*, Vol. II., page 243

of the people were dependent upon agriculture; and the artisans and craftsmen had no effective demand as their products were used only by the high class people. The tendency of the people was to follow the same vocation which their fathers had adopted, "every one passing his life quietly, without aspiring above his condition; for the embroiderer maketh his son an embroiderer, the goldsmith maketh his son a goldsmith, and the physician in a town maketh his son a physician". The result of such a thing as this was that the people formed themselves into separate communities or castes; and though there was that hereditary skill in the workmanship, they never applied themselves to work seriously and with a view to improve their craft. "No artist can be expected to give his mind to his calling in the midst of a people who are either wretchedly poor, or who, if rich, assume an appearance of poverty, and who regard not the beauty and excellence but the cheapness of an article; a people whose grandees pay for a work of art considerably under its value and according to their own caprice". This

observation need not induce us to believe that there was no art as such. Bernier gives the reason why there were rarely found good handicraftsmen in Delhi. The reason, he says, "is not want of wit, but contempt of the workmen, who are ill-treated, and whose work is debased to too low a price. If some Omrah or Mansebdar will have anything made by a workman of the Bazaar, he will send for him and make him work in a manner by force and afterwards pay him as he pleaseth; and the man will think himself happy too, if in part of payment, he receive not the *Korrah*. What heart then will a poor workman have to take pains to succeed in his workmanship? He considers nothing but to despatch his work, thereby to earn something to put bread into his mouth". * And if there be any who succeed in their work and put out good and efficient work, they were those who were in the service of great lords and ruling princes. The position of the agricultural or ordinary labourer was not at all enviable. He received the customary wages and many times in kind—a phenomenon that

* Bernier: *Travels in Hindustan*, page 289.

is to be seen in many parts of India even to this day. An ordinary labourer could not earn more than five annas and a half a day, an amount which was barely enough for his subsistence; while an agricultural labourer was never in a position to save anything out of his earnings. The cause of this cheapness of labour and low wages is to be found, in the first place, in the proverbial poverty of the people and secondly, in the want of efficient organisation of labour about which very little can be said.

ORGANIZATION

We have already observed above in connection with labour and also with capital that there were very few workshops established and maintained for making a profit out of them in those days when Akbar the Great was reigning and also at the time when he left this mortal world. There was no large-scale production which alone could bring many workmen together to form themselves into labour organisation. Or, why talk of labour organisation, a thing which is absent even in these days of industrial regeneration? Industrial organisation there was none ; and we need not go far

to seek the ways and means adopted by the people in those times except visit a remote Indian village of modern times. The communities had been practically organised on the basis of industrial pursuit, the son following the occupation of his father. Most of the labourers had to work on their own account, and take upon themselves the rôle of producers as well as sellers. Such being the case, the class of middlemen was not known except in some cities where foreign trade was carried on.

This was the situation of India at the time when the European nations thought of trading with this ancient land of which they had long heard as a country of gold. We shall now see how they established their factories in India and the progress they could make during the century that followed.

CHAPTER IV

EARLY EUROPEAN TRADE IN INDIA

THE EARLY PORTUGUESE ACTIVITIES

The Indian economic conditions at the beginning of the seventeenth century have been briefly described with a view to have a background to our study of the effects upon those conditions of the trade with Europe in that century. The records of History tell us that though India was known to the Western world even before the beginning of the Christian era and that though commercial transactions were being carried on between India and some parts of Europe including the Greek world where Indian goods were known as *Gangetica*, a name derived from the famous river Ganges on the banks of which those goods were produced, the actual effective trade began with the Portuguese adventures at the end of the fifteenth century The first Portuguese ship that touched the Indian shore at Calicut in 1498 was manned by Vasco de Gama ; and it was through his efforts and advice that the Portu-

guese could not only establish their trade in spices of the East, but also secure territories in India which even now after a lapse of four centuries, belong to them. The southern parts of India and the Malabar coast were known for their pepper which at that time was much in demand on the continent of Europe. The principal food-stuff of the people inhabiting the northern parts of Europe was meat; and they could not procure it except in summer. The meat was, therefore, preserved with the use of pepper and other spices. "The goods which Western Europe required from the Indies in the fifteenth century may be described shortly as spices and drugs: most of them were wanted in quite small quantities, but an exception must be made in regard to pepper, the use of which was wide-spread notwithstanding the high cost of transit, and there is really very little exaggeration in the statement that pepper is the historical foundation of the direct trade between India and the Western Europe". The Portuguese were the first maritime power in the field and therefore they could enforce their own rules and regula-

tions upon the native merchants and even on Muslim merchants of Arabia and other Asiatic countries to the effect that no merchant-ship was to enter or leave the ports of Western India without a license from the Portuguese authorities. The Jesuits on their part helped indirectly these Portuguese merchants by creating a good impression and feelings in the minds of Moghul officers and also of the Emperor about the honesty and the liberal-mindedness of the merchants in question. This secured for them so much advantage over other nations of Europe that Portugal had virtually the monopoly of Eastern trade; and the whole of Europe had to depend upon Portugal for pepper and other important spices. To establish trade relations with the East was not the only object of the Portuguese people. They had a three-fold purpose in view; they wished to secure good merchandise to the entire exclusion of other European nations; they entertained the high idea of establishing their authority on the Indian soil and seas; and last but not least, they intended to spread Christianity all over the world. These

they could achieve by might and sword to an appreciable degree. At least, so far as the establishment of commercial supremacy was concerned, they were eminently successful; and all other nations not excluding England and Holland had to purchase pepper from the merchants of Lisbon which became the greatest market of that commodity for Europe.

RIVALRY BETWEEN THE PORTUGUESE AND OTHER EUROPEAN NATIONS

The commercial as well as the political supremacy of Portugal was not destined to last long. A Portuguese writer describes the main causes of the fall of Portugal from that enviable position. He says: "Society was almost rotten to the core. The morals of the community were extremely lax. Profligacy had become the predominant and fashionable vice, and men gave themselves up to the sensual pleasures peculiar to Oriental life. Nor was the public administration less tainted. The civic virtues of Albuquerque and Castro were supplanted by corruption and venality; justice was bought, public offices were put up for sale, and the martial spirit degenerated into

effeminacy, sloth and indolence, as in the last days of the Roman Empire. * Besides these causes in general, the political subjection of Portugal to the yoke of Spain was the immediate cause which brought about the circumstances that led to the downfall. The pepper merchants of the Netherlands were prohibited by Spain to enter Portuguese ports and trading centres, because of a war that threatened to be waged between those two countries. When Lisbon, the central pepper market, was shut to them, the Dutch were infused with a desire to become self-dependent and establish themselves as original traders with the East. They began their activities with the trade at Sumatra and Java slowly increasing it to the extent of occupying a place of some consideration among the trading nations of the East Indies. The English on their part were not slow to follow the Dutch. The panic of war with Spain and the picture of a similar fate as that of the Dutch were enough for the English merchants

* Quoted from 'Historical Sketch of Goa' by H. G. Rawlinson in his '*British Beginnings in Western India.*'

to think seriously of their future. So, "the merchants of London, in the year of our Lord 1600, joined together and made a stock of seventy-two thousand pounds, to be employed in ships and merchandises for the discovery of a trade in the East India, to bring into the realm spices and other commodities." A charter was also obtained from the Parliament of England, granting these merchant-adventurers a practical monopoly in matters of trade with the East Indies. Among various considerations that actuated the members of Parliament to grant the charter was the establishment of the honour of their realm all over the world and on the Continent of Europe in particular. One part of the policy of the Tudors was to increase the influence of the Crown of England; and these adventurers wanted to show the world that the "King of England's license is as good as the King of Spain's and he that saith the contrary is a liar". And this could be achieved by a considerable trade establishment in the Eastern Seas. Secondly, the events in the struggles against the invincible Spanish

Armada had made the English people feel the necessity of possessing a powerful navy for the defence of the nation and had taught them that they could no longer depend upon the private pirate ships. The service in the merchant-ships of the companies trading overseas was a training ground to people who wished to serve in the navy of the future. This new vocation was readily encouraged by the nation by affording opportunities to the young to go to sea in the service of the newly started company. Equally important to these two considerations was the advancement of trade in merchandise. The mercantilist ideas that were prevalent in those times induced the people to trade with foreign countries in the hope of acquiring wealth for themselves. We learn from History that it was the " fame of the East Indies for their fresh spices, deep-toned dyes, bright cloths, and precious stones, and wrought gold and silver, and sumptuary arms, that led Columbus on to the unexpected discovery of the New World of the Americas."* In fact, Columbus had started with an intention

* Das Gupta J. N.: *India in the Seventeenth Century.*

of discovering India which was known as "a Land of Gold". The wealth of India where "gorgeous East with richest hand showers on her kings barbaric pearl and gold" had captivated the minds of the English mercantilists of the early seventeenth century. Then again, the letter of Father Stevens, the first English missionary to come down to India, written to his father, in which he described the Indian life and adventures in glorious terms was more than enough to convince the enthusiastic merchants of England of the advisability and possibility of Indian trade. A danger, on the other hand, was looming before them from the Dutch merchants who had by this time secured some footing over the trade of the East Indies and Spice Islands, and who might, at any time, stop the supply of the spices and drugs which were in demand in England to the inconvenience and hardship of the people. The fire of commercial independence began to burn in the hearts of the populace. And therefore, the Company of London merchants could secure support from every p-rt of England

with the result that Parliament granted the first charter to the Company, and the leaders of public opinion secured from their sovereign the patronage and introductory letters to the chiefs and the kings of the countries in which the Company wanted to trade.

BRITISH BEGINNINGS IN INDIA

Originally, the Company was not a joint stock company but a regulated one. So, none but those merchants who had invested their money in ships and merchandise were concerned in the profit or loss in these trade transactions which were a virtual monopoly granted to them. And the first thing that the Company undertook was the organisation and equipment of ships or merchant-vessels which were sent out to the East in twelve voyages that are known to the students of History as Separate Voyages. The first two voyages were made to the Spice Islands ; but the third was directed towards India with an intention of establishing an English factory at Surat and buying calicoes therefrom. Surat was at that time "a city of very great trade in all classes of merchandise, a very important sea-port,

yielding a large revenue to the king and frequented by many ships from Malabar and all parts." Purchas has left us a description from the pen of a factor of Surat of the early seventeenth century, in which he says: "The city is of good quantity, with many fair Merchants' houses therein, standing twenty miles within the land upon a fair river. Some three miles from the south of the river, (where on the south side lieth a small island overflowed in times of rain), is the bar where ships trade and unlade, whereon at spring-tide is three fathom water. Over this the channel is fair to the city side, able to bear vessels of fifty tons laden.·········As you come up to the river, on the right hand stands the Castle·········It hath one gate to the Greenward, with a drawbridge and a small port on the river side······ Another gate leadeth to Bramport (Burhampur), a third to Nonsary (Navsary), a town ten coss (*kos*, two miles) off, where is made a great store of calico, having a fair river coming to it". * As one writer remarks, the Surat of those

* Quoted by H. G. Rawlinson in his '*British Beginnings in Western India*', pages 41-42.

days was a great *entrepot* of the Moghul Empire, all the foreigners, the Portuguese, the Dutch and even the Arabs and the Persians having their own factories in the town. Surat, therefore, was a great attraction to the English merchants, though it did not prove them advantageous when their trade grew in volume and the English Company found itself as one of the important factors in moulding the future destiny of India. In charge of the third voyage to India was Captain Hawkins, the Master of the *Hector* who anchored off Surat in August 1608, with great expectations of flourishing trade in pepper and calico. But something against his expectations was waiting for him. He found to his great surprise not unmingled with sorrow that not only the Portuguese and the Dutch who were their rivals in trade but the Moghul authorities also were hostile to the English. No one not in possession of the heart and courage of Hawkins would have advised the Directors of the Company to venture in trade with India. For the early Britishers had to put up a fight against heavy odds. In

the first place, the voyage from England to India was a long and dangerous one. The progress of a ship mostly depended upon fine weather and favourable winds, both of which were beyond the control of human agency. They had to cross the English Channel and seas near Portugal, the pirates from which country were always watching for an opportunity to seize English ships. Secondly, the chief ports in the Indian seas were monopolised and controlled by the Portuguese so much so that no foreign trader was allowed to move his ship without a licence from the Portuguese authorities. The English people, being subjects of an independent nation, thought it detrimental to the honour and self-respect of their nation to abide by rules framed without their consent and enforced by a foreigner like the Portuguese Administrator; while the Portuguese on their part were furious at the violation of their supposed rights over the waters. They, therefore, smarted under the 'illegal' action of the British adventurers and tried to put in their way every sort of obstacle that they could think of. Moreover, the Jesuit

Fathers had established themselves well at the Court of the Great Moghul, Akbar, and also of his son, Jehangir, and had a natural leaning towards Catholic Portugal. They filled the minds of the Moghul Emperor and his officers with something rubbish about the new comers. But in face of these, Hawkins not only succeeded in establishing a factory at Surat but was able to obtain an interview with the Emperor Jehangir who even gave him the title of 'Inglis Khan.' So much to the credit of Hawkins that he was the humble founder of a factory at Surat, which was destined to be the corner-stone of the British Empire in India.

STRUGGLES WITH THE PORTUGUESE

It was the Renaissance movement that is held responsible for the growth of the spirit of adventure among the Europeans. The Spaniards and the Portuguese, belonging as they were to the countries situated on the sea coast, developed this spirit in their maritime activities in search of new worlds and establishing their authority in those countries whenever possible; while England simply followed them when she saw that there was

something to be gained in the transactions. She is essentially businesslike and is therefore called a nation of shopkeepers. The one outstanding characteristic of the Englishman is his perseverance and he does not leave the work he undertakes unless and until he is convinced of the futility of his efforts. Now this thing was not unknown to the European pioneers in Indian trade. They thought that England was sure to succeed in the competition that was to take place among them, and, therefore, the Portuguese merchants as well as the Dutch opposed the establishment of an English factory at Surat and even their landing on the shore. Now that the English had obtained through Hawkins' efforts, a *firman* from the Emperor to trade at Surat and they had established a factory in spite of the opposition of their co-religionists, the Dutch merchants thought it an act of policy to join hands with the English to fight the Portuguese who were a formidable enemy to them both; and when this enemy was quelled, they could run over, with considerable ease, the English who were, after all, their juniors in the

Indian field. The Portuguese merchants now tried to make life very dangerous and troublesome for the English at Surat. They did not let go any opportunity of fight against the English, and many engagements took place between the two rivals on the Indian seas. Owing to these struggles the English were prevented from trading in Indian commodities for some years and the regular trade at Surat may be said to have begun only from 1613.* Among many battles, the fight with the Portuguese Armada in 1615 and again one in 1621 were the most important that decided the fate of the Portuguese as well as the English in India. About the first fight it is said that the Portuguese "were persuaded to leave the *Hope*, and all hopeless to cool their hot blood by leaping into the sea's cool waters." In the second engagement also the English soldier used his "best endeavour, come life, come death", and fought courageously and cheerfully "as though it had been a May game". The effect of these struggles was that the English could establish their reputation among the

* **Moreland**: *From Akbar to Aurangzeb*, chapter II.

natives of India and also impress the Moghul officers at Surat and elsewhere of their power both of which the Portuguese nation now lost.

EMBASSY OF SIR THOMAS ROE

When the Portuguese supremacy in India was put down by the English, the only rival left in the field was the Dutch merchant with whose alliance they drove away the strong rival, the Portuguese; and now they thought of severing this connection with the Dutch slowly. Some wars were also fought between the two and the complete. overthrow of the Dutch, if not their elimination from Indian trade, was brought about in the year of Restoration. But this matter we should leave for those who produce a treatise on the political history of India. This being a narrative of the economic conditions of the people and the effects thereon of the European trade of the seventeenth century, we have to note here only such of the facts as would tend to help us in understanding the subject. There is one event in the history of the East India Company, which we cannot afford to overlook, as it had to do much with the establish-

ment of good relations with the Moghul administration, and that is the visit of Sir Thomas Roe as an Ambassador of the King of England to the Moghul Emperor. It was a good fortune of the East India Company that the Sovereign of England took a very keen interest in Eastern affairs. The graphic narratives of the grievances of the English traders in India and the desire to increase his influence as a great king prompted James to arrange to send a representative of his to the Great Moghul in the year 1615. The mission entrusted to this Ambassador was to maintain the intercourse and traffic which had been begun and to maintain and to continue "the amity and course of merchandize between Us, our realms and dominions, and the realms and dominions of the said Great Moghul" who was to be informed that the Portuguese were depriving "Our subjects from that liberty of commerce". The Great Moghul was also to be impressed of "Our powers and strength at Sea, which giveth us not only reputation and authority among the greatest princes of Christendom, but maketh

Us even a terror to all other nations". The embassy lasted for three years. The testimony to the success of Sir Thomas Roe in his mission is supplied by the report of Salbanke, a responsible officer in the employ of the Company, who says therein: "My Lord Ambassador hath managed his place very honourably since he came to the Moghul Court, with that frugal respect of your profit that I believe you could hardly have picked out a fitter and worthier man for the administering of his place in our whole kingdom." Sir Thomas, who was well received by the Emperor Jehanghir, had in the beginning drafted a treaty to be presented to the Moghul, stating therein the requirements of the English merchants from the public authorities; but though he was not able to get that draft sanctioned, he could secure a *firman* which ensured, besides the protection of the English at Surat from Portuguese attacks, that "free trade was to be allowed and that the factors' goods were not to be detained or plundered at the custom house". Moreover, he gave very sound advice to the Company in that they should not try to found

a territorial supremacy in India, but that they should simply devote themselves to the increase in trade.

LESSONS OF THE PAST

We have stated above that the English began their regular trade at Surat in the year 1613. But, before this time, they were not idle; they gathered much experience from the past history of Eastern trade. The defects in the Portuguese organisation and also in that of Dutch served the English traders as guiding lights. When the Portuguese began their trade operations in the East, the extent of their trade was vast and wide. It was their practice to send out merchant-ships with cotton cloth from Malabar and the Deccan to Macao in China where they purchased with that commodity China goods that had an appreciable demand in Japan. Japan was rich in silver and she was not unwilling to part with it for China goods. The Portuguese merchants brought Japanese silver to China whence they again purchased goods to be sold in the Spice Islands and Malacca, the spices of which place were demanded by Indians. So it formed

as it were a circle of trade operations the ships starting from Goa, passing through China to Japan, coming back again to China and thence to the Spice Islands and returning to Goa at the end of a period of three years. The profits out of these operations were sent to the mother country; and they were enormous because of there being no competitor to them in the field. In their activities in the East Indies, to gain wealth was not the only motive of the Portuguese people. They tried with success to own territories in India, where they wished to spread Christianity. These threefold objects were not attractive to the Dutch who. followed them. The Dutch adopted the first; they never let go an opportunity of securing the second if that could be achieved without much difficulty and expense; and they abandoned the third as one that would in no way benefit them or their country. So far as their trade transactions were concerned, they found a demand in Japan for raw silk, hides, and skins, which things were to be procured from Siam. The Siamese used the Indian cotton goods in abundant

quantity; and these cotton goods were sold for silver in Japan. They also exported raw silk from Bengal to Japan thus creating a new market for Indian products. But along with these transactions, the Hollanders specialised themselves in their trade with the Spice Islands. Their policy was that the "trade in cloves, mace and nutmegs must be monopolised since competition would ensure the ruin of all competitors, and, consequently, the English must at all costs be kept out of the Spice Islands"*. The English, late as they were in the Eastern trade-field, had had one advantage over others; and that was the benefit that they were in a position to derive from the merits and demerits of trade organisation and operation of the people of Portugal and the Netherlands. To spend their energy in endeavouring to spread their religion in India and other countries with which they came in contact was out of question to the English merchants. They had been warned at the beginning of their risky undertaking that "a war and traffic were incompatible", by which

*Moreland: *From Akbar to Aurangzeb*, page 20.

Sir Thomas Roe meant to say that his fellow countrymen should not think of establishing their political or territorial sovereignty. So the only motive of the English merchants who started the East India Company may be narrowed down to a simple proposition that their aim was to make a profit out of the trade transactions and fill their pockets to make themselves rich and honoured in the eyes of their fellow men in England. If the English were able to achieve political power in India during the years that followed, it was a mere chance. At least, there was no such motive at the beginning.

EARLY EXPERIENCES

"A war and traffic are incompatible" was a sound dictum prescribed by Sir Thomas Roe to the Company; and the later history of the East India Company proves that conquest and commerce could not go hand in hand. When the Company began the conquest of India, the commercial side of its activities dwindled down. The early Portuguese adventurers had thought of expanding territories under the sovereignty of their king, and with

this aim in view, they built forts and maintained a force for their protection. Sir Thomas was careful to show his countrymen that it was because of this policy that the influence of the Portuguese was on its wane*. So at first the English people closely followed the directions of their esteemed counsel. Cotton cloths and indigo were the first commodities that attracted the minds of these new comers. Cotton was being produced near about Surat, and plain calico and indigo could be had from the Krishna Delta also. But the latter province was completely under the influence of the Dutch, who, having established themselves well by the year 1610, had a factory at Musulipatam, a seaport on the east coast of India. But

* "A war and traffic are incompatible. By my consent, you shall no way engage yourselves but at sea where you are like to gain as often as to lose. It is the beggaring of Portugal, notwithstanding his many rich residences, and territories, that he keeps soldiers that spends it; yet his garrisons are mean. He never profited by the Indies since he defended them. Observe this well. It hath been also the error of the Dutch, who seek plantation here by the sword. They have a wonderful stock, they prevail in all places, they possess some of the best yet their dead pays consume all the gain. Let this be received as a rule, that if you will profit, seek it at sea, and in quiet trade; for without controversy it is an error to affect garrisons and land wars in India."—Sir T. Roe. Quoted by Lane Poole in *Mediaeval India*, page 310.

calicoes, as the cotton cloths were designated, were abundantly available from Gujerat; and indigo, though it could not be had as abundantly as calico, had a very good demand in the European markets for the purpose of preparing dyes. These two products were called by Sir Thomas Roe the "prime commodities" in India. The English, however, had to content themselves with what merchandise they could get at Surat or Gujerat and other northern parts of the provinces which depended in point of export on the harbours of Cambay. As they were new comers, the English had been eliminated by the Dutch from the commerce in the Far East, and as for Bengal it was captured by the Portuguese who had two ports on the coast, namely 'Gollye' (Hoogly) and Pipli, whence raw silk of Kasimbazaar, saltpetre of Patna and cotton goods of relatively fine texture from almost every part of the province were exported to Europe and other countries. But this part of the country was not very attractive owing to the difficulty of carrying the commodities to the seaports, the insecurity of life due to

constant quarrels between the chiefs, and the commercial supremacy of the Portuguese. The English merchants were not satisfied with their trade in pepper of Java and Sumatra because it did not prove them profitable. The cotton calicoes and indigo of Gujerat could not be had in sufficient quantity so as to bring them a considerable profit. There was a keen competition in securing them; and the Dutch had adopted special methods in this connection. They had "realised that in order to establish a profitable business, they must adapt themselves to the methods of the country, leaving factors or agents on the spot to buy direct from the producers at harvest time, and supplying the factors in advance with the cotton cloth required for their transactions, so that the ship might remain in port only for the time required to take on board the cargo which had been provided".* In the face of all such things, the English merchants struggled hard to increase their trade. The profits from the separate voyages were more than enough to tempt them not to abandon the Eastern trade. But as they found

* Moreland: *From Akbar to Aurangzeb*, page 31.

out they were not able to trade successfully in the commodities in which there was competition, they decided to begin to deal in other Asiatic commodities and try, on the other hand, to produce a market for Home products rather than forego the little profits in their trade. Consignments of almost every article produced in Western Europe were sent to India. Woollen cloth, lead, quicksilver, vermilion, tin, iron, sword blade and such others and also any fancy goods which were likely to be sold in India were exported to this country. But these things were not in demand here and the merchant-ships stopped many of them to be shipped for this country, It is remarked that the total value of these Indian imports was " altogether insufficient to purchase the spices, calico, indigo, silk and other merchandise which Europe required from Asia". To be disappointed at these repeated failures in their undertaking as long as there was a ray of hope was not in the nature of the English people. They kept on with their trade slowly but steadily waiting patiently for an opportunity to push themselves forward

V.R.NARLA

THE GUJRAT FAMINE OF 1630.

It is said with some truth that misfortunes never come singly. Not long before the English could secure themselves against their rivals in trade and make a fair beginning of their future course, there broke out a great famine in Gujrat in the year 1630 which upset the whole fabric of the European trade. The monsoon of 1630 had failed and in the year that followed, it rained so heavily that the country was in floods, with the result that for two consecutive years no crops could be reaped. A vivid account of the famine is given by a Dutch factor of the time wherein he observes: "When we came to the city of Surat, we hardly could see any living persons, where heretofore were thousands; and there is so great a stench of dead persons that the sound people that came into the town were with the smell infected, and at the corners of the street, the dead lay twenty together, one upon another, nobody burying them." * The result of this terrible loss of the people of the country and especially of the

*. A fuller extract from this description of the famine is found in Moreland's *From Akbar to Aurangzeb*. Page 212.

town of Surat was that the English factory, along with other European factories was "terribly crippled by the loss of their factors and by the paralysis of their trade, and was only able to survive at all by the profits reaped on their Persian goods, especially silk. By the end of 1632, it was in debt to the extent of 90,000 pounds".*

* H. G. Rawlinson : *British Beginnings in Western India*, page 99.

CHAPTER V.

ECONOMIC THEORIES IN OPERATION

THE EFFECTS OF THE FAMINE

It is said that out of evil comes good. The famines of 1630, that ravaged Gujrat and set at naught all the threads of the organisation of trade at Surat and other places in Northern India was indeed a dreadful calamity to the people inhabiting those parts of the country. The crops having failed successively for two years, and the poor peasants being unable to exert themselves in producing their necessaries of life, the prices of foodstuffs and consequently of other commodities rose abnormally high. The people, therefore, could not afford to purchase them at the forbidding prices. One of the writers on the subject has characterised this famine as one of the purchasing power rather than of foodstuffs. But whatever be the characterisation of the famines in India, they undoubtedly supply us with an illustration of the non-existence of the resisting power of the people at large against such

calamities as famines. The loss of life consequent upon the hunger epidemic was enormous. It is said, and it is believed, with some exaggeration, that no less than 30,000 souls were lost in the town of Surat alone. The foreigners, the English and the Dutch in particular, were not free from the disastrous effects of this state of things. The loss to these foreigners, so far as the lives of the factors were concerned, was inconsiderable. But from the point of view of trade and commerce, they suffered heavily. The whole of the superstructure of trade organisation of the factories of the Dutch and the English came to the ground as a house of cards. The former, if compared to the latter, suffered more than the English, in that the superior organisation of the Dutch was now on the same level as that of the English who were only beginning to establish themselves on a firm basis. In spite of the heavy loss that the English factory at Surat had sustained on account of the famine, they had now one advantage, that they, as well as the Dutch, their formidable and only rival in trade at that time, had to begin afresh on the same

footing; thus affording both the rivals in the competition that was to ensue the same advantages and disadvantages and giving them both a fair trial to re-establish themselves in Indian trade. And the struggles that followed proved that the perseverance and industriousness of the English people won the race against the pompous show and greed of the Dutch.

THE INTERLOPERS

So the British factory at Surat began its operations in right earnest again with a view to put down the Dutch supremacy in Indian commerce and enjoy the monopoly of Eastern trade, and it did not take a very long time for the English to re-establish themselves well at Surat. They had in years past founded factories in some towns in Upper India, but as those factories did not yield much profit or advantage, they gave up the attempt of re-opening them. The only advantageous course for the English merchants at this time was to concentrate their attention on two things only, instead of trying to extend their trade relations in India on a wider scale. First, they had to take all possible care that they were not com-

pelled by circumstances to recede and go back to the starting point again. Secondly, in order to secure future progress in their commerce, they had to adopt methods to eliminate all their rivals from the field of competition. For the first three or four years after the famines of Gujrat, the Dutch merchants were the only rivals to the English Company; and if these were once driven out of the field, the East India Company would be safe. This they did achieve in course of time by strenuous fights against them. But at this time a more dangerous enemy was in the making in England herself. When the people saw that the India Company was able to build on the old ruins, some enthusiasts who were guided, without doubt, by the temptation of enormous profits more than by the motive of bringing ruin on the head of the original Company, entertained hopes of starting a new firm to trade with the East, and this hope was materialised in 1636 by starting a company popularly known as the Courten's Association. The Association secured permission for this purpose from King Charles I, who had been "credibly informed that the

East India Company had neglected to plant and settle trade in those parts, and had made no fortifications to encourage any in future times to adventure thither, contrary to the practice of the Dutch and the Portuguese." The English Sovereign believed that "this neglect has resulted in a loss of trade to His Majesty's subjects, as evidenced not only by the complaints of some of the adventurers, but especially by the decrease of the royal customs, which is due to the said Company's supine, neglected discovery of trade in divers places in those parts. Accordingly, the Courten's Association started factories in the first heat of enthusiasm at Karwar and Bhatkal on the west coast of India where they were allowed by the local Raja to trade in pepper. The new company was not the only rival to the old one; there were also those who called themselves Freemen, "that are pernicious in their actions to us (the East India Company), being companions to all such of our people as they find discontented, and not only inveigle them from your service but convey them to the Dutch or Moors as they

find them most inclined.*" To the great satisfaction of the factors at Surat and other places in India and also of the Directors of the Company in England, these upstarts were destined to be short-lived. It being a very difficult task for the new comers to fight against the blows of time and adverse circumstances, the President of the Courten's Association was forced to abandon his efforts in this direction within a period of ten years. And slowly but surely other enterprises began to lose ground, and the East India Company alone was left in the end to rear up the seeds of a future Empire. The Company had a rival in trade from their own country, which proved a handicap to them to fight the growing power of the Dutch. The factory at Surat was put in an unsatisfactory condition, and the Directors of the Company could not secure as much capital as they would have been able to do, had there been no rival Company. Then, again, the unanimous support of the people of England was divided into two, and even when the second Company was abolished, their sup-

*. English Factories, 1651-4, page 252.

porters, being discontented with the little success in their enterprise, began to agitate against the Company, the results of which were to be seen in the last quarter of the century. The success, however, of the original Company was due primarily to the strict observance of the letter and spirit of the advice of Sir Thomas Roe, whose peaceful policy had been followed by the Directors even to the end of the seventeenth century.* Besides the Courten's Association,

*"It has been asserted, moreover, that the Company were not without occasional premonitions of "the great destiny awaiting for them." Sir Joshia Childe has, accordingly, been hailed as the first Englishman who conceived the idea of establishing a political dominion in India. The East India Company is, therefore, regarded as the originator of the policy in the seventeenth century which bore fruit in 1746. There is no evidence for these statements at all.·········In none of them (pamphlets) is there a faintest suggestion of a desire of the Company for political dominion in India. The idea itself was completely at variance with the 17th century mode of thought. Even in the 18th century, the Directors tried in every way to extricate themselves from the responsibilities thrust on them by Clive. How then was it possible in the 17th century? The mistake of Sir William Hunter and others arose through their incomplete study of the Records. This is especially the case with regard to the words 'Political' and 'Dominion' which the Directors use so loosely. 'Political' meant, of course, commercial to them; nor is it fair to detach a few phrases from some of the grandiloquent dispatches of Childe, and to regard them as expressing the policy to which he was devoted". S. A. Khan: *East India Trade in the 17th Century.*

there were more than one company to compete with the East India Company in the remaining half of the century; but the Company had little to fear, because they could not do much harm to the already established interests of the Company with which in the early years of the next century they were amalgamated.

RE-ESTABLISHMENT OF TRADE.

The English factory at Surat was undoubtedly crippled on account of the famine; but the factors being adept in trade matters did not take much time in re-establishing their trade relations in Gujrat. Within a period of a decade they could show a remarkable progress in their work when compared to the work achieved by the Dutch and the Portuguese. The principal articles of trade were cotton and indigo. The Surat district itself produced vast quantities of cotton manufactures known in those times as calicoes; but the area under the cultivation of indigo was not at all considerable. These two commodities were originally shipped from the port of Surat; but the demand for them which was greater than the supply, and the consequent rise in the

prices persuaded the factors at Surat to open smaller stations or factories in other parts of the country whence they could buy and store these commodities. The tract of land round about Surat was also fertile in producing "good wheat, rice and barley, besides many other sorts of grain of bread-corn which may be bought at easy rates." It is also observed that of the wheat which was fuller and whiter than the European, the inhabitants baked "good and savoury bread upon the lid of a pot which hangs over the fire." * But these foodstuffs had not yet attracted the attention of the English factors at Surat, because England at that time was still an agricultural country which was able to produce the necessary food materials. Evidently, the cotton-manufactured articles were more in demand in England than the corn and hence the trade in cotton. The head quarters of the English were in Surat; and the cotton produced in that part could not meet the European demand. The factors, therefore, turned towards the Deccan which

* Quoted from Ogilby's 'Asia' in *India in the 17th Century*, page 75.

was rich and fertile for cotton crop. They very soon established new factories on the coast line of the Konkan, which provided good sea-ports at Dabhol, Rajapur and Karwar, that were the only exporting ports for the table-lands of the Deccan. During the first quarter of the century, Patna possessed an English factory opened as early as 1620, with Pipli in Orissa as its sea-port. The factories at both these places were continued again in the latter part of the century. Muslin of Dacca, silk of Cossimbazaar and Malda and saltpetre from Patna formed the staple articles in which the factory at Patna traded. As this trade in Bengal grew in size, Pipli was found to be an inefficient sea-port and Hugli was thought upon to furnish them a good port, though the Portuguese were supreme in that part of Bengal. A factory was established there in 1640, which in the course of the century attained a very important position. It was in 1689 that Calcutta, which was destined to be the capital city of the British Empire, was settled. Hugli was not only a good port but a trading centre on account of many of the weavers of cotton

cloth, Tesser or Herba of several sorts, living near by; and moreover, silk, sugar, opium, rice, wheat, oil, butter, coarse hemp, gunnies and many other commodities could be brought to that place with ease. Just about the same time, a factory at Musulipatam to trade in indigo and cotton of the Kistna delta and one at Calicut to continue their trade in spices and to a certain degree in saltpetre were established in the South by the English merchants. Thus the trade began to grow in volume by leaps and bounds. The English merchants, following again the advice of Sir Thomas Roe, did not restrict themselves to pepper and cotton, nor to India alone, but they extended their operations by dealing in all possible commodities and in other parts of Asia also. Trade had now gained the position of 'the lady which in this present age is more courted and celebrated than in any former'. And by the time of the Restoration, the traffic of the East had succeeded better than any Corporation preceding.

HOW TRADE WAS ORGANISED

It is indeed a matter to be wondered at how

the English people, foreigners as they were, could establish their trade relations with the natives of India, whose habits and languages were quite unknown to these outsiders. The greatest difficulty was that of language in which the English had to speak in order to express their intentions and interests to the native merchants with whom they had to deal. But the tenacity and stick-to-it-ness of the English race could overcome this difficulty in a very short period. Some of the merchants began to learn and study the vernaculars of different provinces as many of the Portuguese and the Dutch did, thus removing the necessity of interpreters. But many of the dealings of the Company were transacted through interpreters and brokers. "For the buying and the more advantageous disposing of the Company's goods", says Ovington, "there are brokers appointed, skilled in the rates and value of all the commodities in India." Fryer, the traveller, has well described the practice of these brokers who used to throng about new-comers to India. He says: "As soon as you set your foot on shore, they crowd in their

service, interposing between you and all civil respect, as if you had no other business but to be gulled; so that unless you have some to make your way through them, they will interrupt your going, and never leave till they have drawn out something for their advantage. At this time of shipping, they present the Governor of Surat to license them to keep a mart there, which they make the Europeans pay dearly for; yet such is their policy, that without these, neither you nor the natives themselves shall do any business." These brokers, it is observed, used to receive two or three per cent. brokerage on transactions effected through them, and one feels doubtful whether they were quite satisfied with that allowance. These brokers again had in their turn their own agents or *gomastas* in different villages and such other places from which the commodities for export were gathered, these being engaged at monthly rates. The gomasta was personally visiting districts and manufacturing towns where the purchases were intended to be made, with the *parwana* or permit from the Governor of the province and asking the weavers and

other artisans to meet at a particular place or *kachery* as they used to call it; where they were to sign a bond for the delivery of a certain quantity of goods at a certain time and price. There was also the practice of advancing money to those who signed the bonds. This practice is still in vogue in many parts of India and it is due to the utter helplessness and poverty of the people engaged in agriculture Master describes the practice in Hugli in the following terms: About Hugli, there live many weavers who weave cotton cloth, and cotton and Tessar or Herba of several sorts, and from the parts thereabouts there is brought silk, sugar, opium, rice, wheat, oil, butter, coarse hemp, gunnies and many other commodities. The way of procuring these is to agree upon musters with the merchants of Hugly or to send Banians who can give security, to buy them on our accounts in the places where they are made or procurable at cheapest hands, and whether we use one way or other, we give passes in the English name for bringing these goods free of custom, and all those places have so great a convenience that most

of the goods are brought by water, unless from the places near unto Hugly. The goods we sell in Hugly by merchants there are upon time, or ready money, but which way soever it is that we sell them, we give passes and send them out in our names to avoid the merchants paying custom which otherwise they would not do and we are forced to abate in the price proportionate.*

THE TRADE COMMODITIES

With such an organisation at its back, the Company prospered rapidly in its work. There was importing and exporting of articles on a larger scale in the years that followed the death of Charles II. It was one of the objects of the Directors of the Company to introduce

* We may compare with this description given by Master, the observations of the historian Orme. "The profits according to Europeans" he says, "by their trade to Industan, arise much more from the commodities which they purchase in that country, than from those which they send thither, and the most valuable part of the cargoes returned to Europe consists of silk and cotton manufactures: the weaver of which is an Indian living and working with his wife and several children in a hut which scarcely affords him shelter from the sun and rain: his natural indolence, however, is satisfied in procuring by his daily labour, his daily bread; and the dread of extortion or violence from the officers of the district to which he belongs, makes it prudence in him to

English goods in India and try to secure good market for all English-made goods all over the Eastern world. The principal exports of the Company were usually tin, lead, copper, swords, cloth, quicksilver, vermilion and bullion. In spite of many strenuous efforts on the part of the English factors in India, there could be no appreciable change in the quantity of these exports. The obvious reason was, as we have observed in another place above, that the people in India did not seem to use these goods except on particular occasions. Otherwise, the people were quite self-supporting and self-contented. As regards cloth produced by the weavers of England, the Company left no stone unturned to increase its sale

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appear and to be poor,.so that the chapman who sets him to work, finds bim destitute of everything, but his loom, and is therefore obliged to furnish him with money, generally half the value of the cloth he is to make, in order to purchase materials, and to subsist him until his work is finished; the merchant who employs a great number of weavers is marked by the higher officers of the Government, as a man who can afford to forfeit a part of his wealth, and is therefore obliged to pay for protection, the cost of which and more, he lays upon the manufactures he has to sell, of which, by a combination with other merchants, he always regulated the price, according to the necessity of the purchaser to buy." Quoted in *India in the Seventeenth Century* by Das Gupta, pp. 45.

in India ; but their efforts were not crowned with success. In the first place it was offered a a prohibitive price, and, secondly, the Indian workmen could not afford to buy it at that high price. Quite the contrary was the case with the export of bullion. It was now exported on an extensive scale, for, it supplied the East India merchants with the necessary purchasing power, so much so that the company had soon to face a strong opposition against this export from the leading economists and merchants as well as from the artisans of England. For instance, Prince Butler in this tale has the following lines which complain of the expørt of Bullion. He says :—

> This trade was drove on by such measures,
> As soon exhausted much of our treasures.

This export of bullion and treasures to which we shall have to refer again in the course of this chapter was necessary in purchasing such of the goods as were in demand in Eng-land and which could be procured in India. Among such articles of export from India were silk, raw and manufactured, calicoes, coffee, indigo, wool, saltpetre, pepper and

spices and drugs. The adopted policy of the merchants was to encourage all manufactures that England wanted from abroad or that could be cheaply produced in India; for this policy of fostering Indian industries had resulted in an unusual increase in trade. There was a good supply of silk, a writer observes, "which was made into velvets, satins and taffeties, but the best of them were not so good as those made in Italy". All the same, that the commodity had a very heavy demand can be substantiated by the price of silk in those times which varied from 15 to 19 annas per half seer, of 70 tolas each. There was also another sort of silk which was considered to be a better quality than the ordinary silk, and which was not found in large quantity, and that was priced at Rs. 5 to 6 per seer. Evidently, the heavy demand and meagre supply was responsible for this rise in price. Similar was the state of cotton trade. In one of the letters, the Directors of the Company ask the factors " to encourage the Natives to plant indigo and cotton, to make saltpetre if there be any proper grounds for it near

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Chyttegam (Chittagong) which we cannot doubt, as also the the planting of Mulberry trees for silk worms"*. The cotton manufactures of India had attained such a prominent position in the English market and also on the Continent that hardly a house could be found where calicoes were not used. It is also said that when Mary landed in England with her husband, William of Orange, to occupy the throne of Great Britain in 1688, she was mainly clothed in Indian silk. The silk manufactures of India were very popular with the rich people and especially with female members of the house, while the cheap cotton cloth was used by the poorer people and servants of the household of the rich. The price of long cloth rose even to 50 s. per piece. Then

*. The Directors in their dispatch dated 22nd April 1681, write:— Our expectations were vilely frustrated last year, in that most important affair of raw silk. We would have you send us the full quantities of every sort of raw silk wrote for. We do lay on you the greatest charge to enlarge our Investments in all the coarsest kind of raw silk because we judge it the most gainful, but the most national commodity we can bring to England, being a commodity to be manufactured which sets our poor on work, greatly augments our navigation, and works upon the trade of our emulous neighbours.—Quoted on page 156 of *East India Trade in the 17th century* by S. A. Khan.

there was also export from Indian ports of goats' wool to which the Directors refer in almost every dispatch to India; but the quantity was very limited. It seems indigo and coffee were in no respect below in the estimation of the Directors, for they too could bring the Company considerable profit. In a dispatch sent out in December of 1686, the Directors state that "indigo and coffee are the most profitable bulky commodities you can send." As for trade in pepper and spices, it was not a promising concern though the Company was originally founded to trade mainly in those commodities. "The trade in spices might have flourished," says a writer, "if the Coromandel coast and other places in India had been suitable for their cultivation. This does not seem to have been the case. The pepper imported from the Coromandel coast appears to have been poor in quality and very dear in price."

WHY TRADE FLOURISHED

The vast extent and volume of the European trade in the 17th century would not have sustained itself had it not been for the wise

policy of the Directors of the Stuart Kings. We have already noted incidentally that one of the important acts of policy on the part of the factors in India was the advance of money made to the workers for the purpose of either purchasing the necessary materials for the production of goods or to maintain themselves till the work in hand is finished. This policy was indeed very much liked by the poor people, and the European merchants on their part lost nothing but gained instead, inasmuch as the goods could be had beforehand in the factories erected for storing them till the time of their shipment. The ships in the harbours had now not to wait till goods from different parts of the country arrived, as they used to do formerly, and so much time saved could increase their trade and consequently their profits. Another happy thing that the merchants did was to train Indians in industrial matters by means of importing expert weavers from England. The market in England and on the Continent varied from time to time. A pattern that was once very much liked by the people and was in ex-

tensive vogue and that once commanded a very good sale in European markets was out of fashion after a lapse of a few years; and new designs had to be invented. The Company was ready to supply any new design to the people so long as they could secure profit therefrom. But Indians by themselves were not in a position to understand the actual needs of European markets. They had to be taught in those ways; and the dispatch of English weavers to teach Indians how to prepare goods for European consumption and also the mysteries of their craft was quite essential; and "several artificers were sent over to teach Indians how to manufacture goods for the European markets. After which began the great trade in manufactured goods from India".* Another factor

*In Spittle-fields, there has been a very large manufacture settled, which long struggled with Italy, France and Holland, but kept its head above the water for a long time. Now come our East India Gentlemen. They carry away our workmen of all sorts, our patterns and new inventions, and promote the manufacture in the East Indies. The result is that Masters break, Journey-men run away, having no trade. Some fly to the Mint and Privileged places; some to Holland, some to Ireland, some starve to death at home with their wives and children.' *From England's Danger by Indian Manufacture.*

that tended to increase the trade and influence of the East India Company was the patronage of the English Sovereigns, especially the Stuarts whom the Company, time and again, had advanced loans. The Stuart Kings were in unceasing want of money which rich persons and Associations alone could lend. Then again there was a supremacy of mercantilists who believed that some sort of protection should be given to merchant adventurers who were calculated to increase the wealth of the nation. And it is no wonder that the sovereigns were influenced by the current economic thought. The grant of monopolies by James I. and Charles I., though primarily for the purpose of gaining money to carry on the Government of Great Britain, was to stimulate industry and business and improve articles. "It is a great part of our royal care" begins a proclamation to one of the Eastern Companies, "like as it was of our royal Father of blessed memory deceased, to maintain and increase the trade of our merchants, and the strength of our Navy, as principal veins and sinews for the wealth and

strength of our kingdom"*. The parental interest taken by Cromwell in the affairs of the East is too well known to be re-stated here. The policy of patronising the Associations trading in foreign goods was continued till the Revolution of 1688 when the atmosphere of English political life wholly changed, and the economists and theorists supporting the cause of mercantilism were growing in number.

THE OPPOSITION AT WORK

The social condition of England did not play an insignificant part in the play. The woollen manufacture was growing slowly but surely, and the rivalry of Indian goods was keenly felt by the workers in England. The weavers of silk especially made a common cause with the economists, whose point of view was that the trade with the East "carried away large quantities of money which is not only the sinews of war, but medium of trade. For money in a body Politick is as the blood in the Body natural giving life to every part". They regarded the export of bullion

*. From a Proclamation to the East India Company. *Puritanism and Liberty*, Page 39.

to the east as a drain on the wealth of the nation, and they believed that it was the main, or perhaps, the only cause of impoverishment of the people. The amount of bullion exported to India was not less than £400,000 per annum. "The trade could be maintained only by the exportation of bullion, and as the trade increased, so did the amount of bullion. The amount exported by the Company during 1681—91 could hardly have been less than £ 400,000 a year. After 1691, the amount of bullion exported increased greatly. The average amount annually exported during the years 1697—1702 was hardly less than £ 800,000. There is reason to believe that during the years 1698—1700 not less than a million pounds was sent annually to the East."* While the theorétical eeonomists traced the cause of poverty to the exportation of bullion and precious metals, the English merchants and weavers ascribed the misery, the poverty and the wretchedness of the poor, "not to the war, which was

*S. A. Khan: *East India Trade in the 17th century*, Pages 269-70.

really one of the causes, but to the importation of Indian commodities into England." Mr. Khan observes: "The rapid strides made by the East India trade during the last ten years of the seventeenth century could hardly be ignored by the English weavers. The competition of Indian manufactures with English industries was, at first, hardly recognisable. From 1675, however, the competition began to be seriously felt. By the end of the century, the English weavers had organised a systematic opposition to the importation of Indian calicoes and silks. The opposition ceased only with the utter defeat of the Company. The forces arrayed against it proved too strong. The chief English industries affected by the Indian manufactures were wool and silk. The exquisite workmanship of Indian weavers proved serious to the English silk weavers. It became popular in England, and was used by ladies of quality, by gallants and by the gentry. Of the serious injury inflicted on the silk industry there can be no doubt." The silks do us a further mischief by being spent directly in the

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room of our stuffs made of Wool, Hair, and mixed silk and worsted, and that no other silks made abroad did ever serve for these uses, and are, therefore more dangerous." The feeling of the people including the bullionists can be gauged by the number of pamphlets published at the time against the Company. The following passage from England's *Almanac* indicates the line of their arguments;

> Whilst they promote what Indians make
> The Employment they from the English take ,
> Then how shall Tenants pay their Rents,
> When trade and coins to India sent ?
> How shall folks live, and taxes pay,
> When poor want work, and go away ?
> Such cargoes as these ships bring over,
> In England were never seen before.

What the people wanted was the application of the principles emphasised by the events of the Revolution, in the establishment of the rights of the common people. The monopoly of the East India Company was considered by many of the leading people as a negation of the Revolutionary principles. They believed that the "freedom of trade is a fundamental

part of English liberty," and consequently asserted that the Englishmen should never be deprived of the liberty of trading with any part of the known world.

ACT OF 1700

The Directors of the Company were not sitting idle and had not shut their ears against these protests nor were they slow to put forth their points of view against the severe attacks of the bullionists and the merchants. The President of the Board was Sir Joshia Childe, in whom the Company found an able administrator and a powerful writer. Indeed, during the early days of the Company it had to depend upon and support the Balance of Trade theory; but the abnormal growth of trade and the wide interests of the shareholders of the Company compelled as it were the Directors to advocate the principles of Free Trade even against the strong current of economic thought. Childe on his part endeavoured his best to refute the arguments of his opponents in quite reasonable ways. In one of his pamphlets he says, "I am of opinion that Silver and Gold, coined or uncoined, though they are used for a measure of

all other things, are no less than Wine, Oil, Tobacco, Cloth or Goods ; and may in many cases be exported as much to National advantage as any other commodity. The exportation of Gold is inevitable with the growth of Trade. No Nation, ever was, or will be, considerable in trade that prohibits the exportation of bullion". He also tried to prove that if the bullion is exported in an enormous quantity, the articles that the people of England receive in its stead were worth more than what they were paid for, and there was the profit arising out of trade carried on in other countries in Europe to boot, all of which was brought back in England, thus making the native country richer for the Eastern trade. The trade also increased the revenue of the State. But all his arguments, sound as they were more than in one sense, were destined to fall flat over the stubborn economists and irreconcilable weavers and uneducated workers. The opposition grew the more strong because of the advocacy of Childe.

> The Loom, the Comb, the Spinning Wheel,
> Do all support this Kingdom's Weal.

If you will wear your silk and woollen,
You will keep your coin, your poor, your bullion.

This was the burden of all the protests and petitions of the people of England. And the result of all this was that a movement was set on foot to introduce a Bill in the Commons with a view to prohibit the wearing or consumption of the manufactured goods of India, the painted and stained calicoes and all handicraft wares in particular. The Bill actually passed through both the Houses; and had it not been for certain amendments inserted by the Lords but objected to by the Lower House, the Bill would have become a law. But the agitation for this Bill was not dropped though the Bill itself had to be dropped for the time being. The matter seemed to be urgent and had to be cropped up again within three years; and an Act was passed in 1700 which prohibited "all silks, and all calicoes, except such as are entirely white, as also almost the whole of China Trade" in Great Britain. "The Parliament could hardly avoid" observes a writer, "passing the law of 1700, for the destruction of some of the industries would have followed in the train of Indian imports,

and it is as illogical to blame the Parliament or preserving what was deemed to be the life-blood of the nation, as it is foolish to expect it to remain impervious to the appeals of thousands of weavers and manufacturers."

CHAPTER VI

PRODUCTION AND TRANSPORTATION

DIFFERENT FORCES AT WORK

WE have now before us a statement of the condition of India during the reign of Akbar and also at the beginning of the seventeenth century and we have also a brief narrative of efforts of the European merchants, especially of the English, who survived all their rivals, in the direction of the establishment of trade and commerce. But the task of arriving at definite conclusions as to the beneficial or injurious effects of the new elements on the economic conditions of India is not so easy as one would believe it to be. For it is in the nature of things that different environments act and react at the same time upon one another, rendering the task of eliminating the effects of certain conditions more difficult by their very existence. The knowledge, therefore, of all the forces that act and react against one another becomes necessary. In a case like the present when we want to ascertain the

the effects of the European trade with India in the 17th century, we cannot shut our eyes to the system of administration that happened to be in operation under the Great Moghuls, which was also responsible for the many changes or non-changes in the economic life of the country as a whole. Historians are of opinion that the system in its cumulative effect was one which never increased the economic happiness of the subjects, and that worked to some extent in nullifying the benefits reaped by the people from European trade. The "laudable regulations" of Akbar the Great, are said to have relieved the subjects from a variety of oppressions with the result that the income of the state became larger and the state flourished. Aurangzeb, on the other hand, never ceased levying the *Zazia* or the capitation tax on all non-Mohammedans, thus also increasing the state revenue but to the great discontent and hardship of his people. These things necessarily had their effects on the economic conditions. But it is generally believed that the more is the revenue of a state, the more prosperous and flourishing the people of the

country are. And looking at the figures supplied us by many contemporary writers we learn that the total revenue of the Moghul Empire in 1594 was a little over £35 millions which in the course of a century rose to £90 millions in 1695. In other words, one may be led to conclude from this increase in the revenue that the people prospered to that extent and were three times more happy in 1700 than they were a century before. This conclusion would be simply absurd. There might have been some other forces working to bring about these results. It is, therefore, incumbent on our part to examine the situation with care and caution in order to arrive at approximately, if not absolutely, correct conclusions.

AGRICULTURE AND MANUFACTURE

Though the revenue of the Empire is not the only criterion that helps us to judge of the prosperity of the people in those times, it is not without its value in the estimation. The principal sources of revenue under the Moghuls were the land and the commerce. The land forms a source of taxation in India from times immemorial. The customs duty was another

source from which the imperial treasury was filled. The gross revenue which amounted to about 90 millions of pounds was mainly derived from these two sources only. Abul Fazl states that the land revenue of Akbar in 1594 was 19 millions, and, according to Manucci, the Moghul Emperor Aurangzeb drew from land alone a revenue of 43 millions. The increase may be ascribed by some to the prosperous conditions of the people; but in fact it was due to two important causes. In the first place, the extension of the boundaries of the Moghul Empire in the Deccan and the South increased the land under the control of the Emperor and this resulted in the increase of land revenue. We have reason to believe, that much of it was due to this cause only. There is also another cause to this increase; and that was the increase in land under cultivation owing to the demand for raw products in countries other than India. The agricultural production was the basis on which the land was assessed. Unfortunately, we have no figures indicating the increase in the area under cultivation at the end of the century.

The history of European commerce has shown us that the trade grew in volume especially in cotton and indigo. The greater demand for those commodities necessitated the greater resort to their cultivation which in its turn occupied more cultivable land. A larger number of people was, consequently, employed, and the obvious result was the increase in the land revenue of the State. The system of taxation of Aurangzeb being not very much liked by the people and rack-renting being a usual practice, the people did not know beforehand what they would have to pay to the treasury. The provinces were generally farmed by the highest bidder, and the farmer, being a man with the instinct of selfishness, was drawing out of the people as much as he could. The result was that the poor peasants remained as poor as they were without any future hope of prosperity. If the introduction of European trade had increased the agricultural production of India and thus increased also the prosperity of the people, the Moghul system of administration and taxation completely nullified the good results. The tale of manufac-

tured production is not very different from that of the agricultural. The chief manufactures of those were cotton and silk. And the workers who produced these articles were not unskilled as at present. They possessed initiative and skill with the result that Indian goods became very popular in Europe. If they had any defects, they were due to the environments which surrounded them. They had practically no idea of the vast field before them and that they could make India an industrial country never occurred to their mind. The reason was the lack of enterprise. With the help of Europeans who directed them, they were able to produce every sort of article quite to the taste of the people inhabiting European countries. It was for the purpose of making Indian workers more useful and efficient producers for European markets that expert weavers and skilled labourers were imported from England to teach them. The efforts of the English people resulted in a large production of manufactured goods in cotton and silk, which not only brought more profits into the pockets of English Company but also more remunera-

tion for the workers, who could now live with greater happiness than they would have been able to do otherwise. Formerly, these workers were employed either by kings or nobles; and they were in the habit of producing articles to order—why, they never produced for the common people. But the advent of the Europeans changed the situation making the Indian workers aware of the fact that industriousness and the spirit of enterprise could achieve any desirable result in the province of trade. In striking a balance of the two different forces at work during the century, Mr. Moreland observes: "At first sight, the outstanding facts are the appearance in India of the great commercial companies, formed in Holland and England, and their gradual penetration into all the most productive regions of the country; but on a closer examination, the economist, while recognising the eventual significance of those phenomena, is led to attach greater immediate importance to the administrative changes of the period, which intensified existing defects in the system of distribution, and thereby brought about a marked and cumu-

lative reaction on productive industry. On the one hand, India benefitted by an increase in the efficiency of the marketing agencies at her disposal, but, on the other, she suffered from the intensification of the economic parasitism which was destroying her productive energies : some localities, and some classes of producers, profited by the external facilities; but the country taken as a whole was being impoverished by the operation of internal forces." *

ROADS AND WATERWAYS

We shall now turn our attention to the land routes and waterways of India of the seventeenth century. We have seen above that the agricultural production as well as the production of manufactured articles increased abnormally owing to the advent of the European trading companies. These articles had to be carried to the exporting sea-ports with the least possible effort and expense, for which purpose were required good roads. In the beginning of the century we learn that "there were no railways : the great canal

* Moreland : *From Akbar to Aurangzeb*, page 287.

system of the Punjab and the United Provinces did not exist; there were no metalled roads, though the main routes of land travels were clearly defined, in some cases by avenues of trees, and more generally by walled enclosures, known as *sarais*, in which travellers and merchants could pass the night in comparative security. In the Northern India, these routes, in some cases at least, were suitable for wheeled traffic and long lines of carts might occasionally be seen, but from Golconda southwards to Cape Comorin, carts were practically unknown, and pack-animals and porters were the only means of transport by land. Navigable rivers, such as the Indus, the Ganges and the Jumna, were at this time important highways, and carried a large volume of heavy traffic throughout the north of India while the waterways of Bengal were perhaps more frequented than now"*, Akbar had done much in improving the roads not because they were used for trade purposes but because the pilgrims travelling from one part of his empire to

* Moreland: *India at the Death of Akbar*, pages 6-7.

another might reach their destination in peace and comfort. His son, Jehangir, also was not slow to follow in the footsteps of his father. He is said to have improved the land route from Lahore to Agra and constructed a road from Agra to Bengal for the convenience of the travellers*. The

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* *Memoirs of Jehangir* contains the following paragraphs:

At the period when I took my departure from Lahore to Agra, on the occasion recently described, it happily occurred to me to direct that different zemindars (or landholders) on that route, should plant at every town and village, and every stage and halting place, all the way from Lahore to Agra, Mulberry, and other large and lofty trees affording shade, but particularly those with broad leaves and wide-spreading branches, in order that all time to come the way-worn and weary traveller might find under their shadow repose and shelter from the scorching rays of the sun during the summer heats. I ordered, moreover, that spacious serrais, choultries or places of rest and refreshment, substantially built of brick and stone, so as to be secure against early decay, should be erected at the termination of every eight kosse, for the whole distance, all provided with baths, and to every one a tank or reservoir of fresh water: a certain number of attendants was allotted to every serrai, for the purpose of sweeping and keeping clean, and in other respects to take care of them. And lastly, at the passage of every river, whether large or small, convenient bridges were erected, so that the industrious traveller might be enabled to pursue his objects without obstruction or delay.

In the same manner, all the way from Agra to Bengal, a distance altogether of six months' journey, at similar intervals, trees have been planted and serrais erected, the former of which have already grown to such a size as to afford abundant shade. Pages 157-58.

South Indian campaigns of Aurangzeb might have induced him to construct suitable roads for the army to march. All these routes though primarily constructed for different purposes must have been heavily made use of by the merchants. But never was a road specially constructed for the carrying of trade commodities. The goods were generally taken in bullock carts or on camel-backs. In short, the great volume of European trade had practically no effects on the re-building of roads or on constructing new water-ways except that the existing means were heavily used, and thus became frequented and free from fear of robbers.

TOWNS AND SEAPORTS

From the consideration of roads and waterways, we may pass over to the towns and seaports which were connected by these roads. The important towns and trading centres of the century were Multan and Lahore in the Punjab, Delhi and Agra in the U. P., and Patna, and Dacca in Behar: the south had for all practical purposes no inland town of note except perhaps Hubli, a mention of which has

been made by Orme. These towns, it seems, grew in importance mostly because they were either seats of Government or they were the health resort of the kings. None of them was the outcome of the trade with the west. But the history of the seaports tells a different tale of their growth; for most of them flourished on account of the European trade. Some important ports of the present day were established by the English and the French in the seventeenth century and in the century that followed. Beginning from the North-West coast of India, we have, in the first place, Lahari Bandar in Sind, which was the exporting harbour for cotton goods and indigo from Multan and Lahore. It was primarily founded by the Arabs of the west, and then the Portuguese also took advantage of the port by establishing a factory there. But, during the course of a century it could not retain its importance in the face of growing ports like Surat. Surat, Broach and Cambay were the ports for the products of the Moghul India. Surat was a great *entrepot* of the Moghul Empire. The textiles of Kathiawar and

Gujrat were sent to this place where merchants from every part of the country and also from other trading nations used to gather. It had factories of every foreign company trading with the East. It could maintain its supremacy unrivalled by any other port till the rise of Bombay. Broach and Cambay are no more considered as first class ports. Diu and Damaun, both Portuguese settlements in the Gulf of Cambay, each on one side of it, thus commanding a position of some importance, occupied a very important place among the seaports of the early seventeenth century. They could export the products of Kathiawar, Gujrat and other surrounding provinces. The Portuguese owned also another port in Bassein near Bombay. It was noted more as a centre of ship-building industry than as an exporting harbour. Chaul, a little to the south of Bombay, and Dabhol in the Ratnagiri District were also ports of some consideration, the one for the products of silk industry and the other for its trade with Ormuz and Mocha. Goa was perhaps the most important harbour during the sixteenth and

seventeenth centuries and it was the principal residing place of the Portuguese Governors. It is still in their possession. Bhatkal, Calicut and Cochin were among the other ports on the west coast of India. On the East Coast, St. Thome served as a port for the province of Madras, Masulipatam for Orissa, and Satgam, Hugli, Sripur and Chittagong for Bengal and Behar. When studying the situation of these ports, it strikes the mind of the observer that many of the ports were established on the west coast. It was even so. the reason being the approach of the Westerners to that side of India earlier than to the East. Another point that may strike us is the position of every port. It was not an artificial port but a natural one, one and all of them being situated a little inside a river flowing to the sea. The considerations that induced the merchants to adopt such sites for harbours were those of immediate safety and protection from pirate ships.

GROWTH OF PRESIDENCY TOWNS

These were not the only ports during the century. The most important ports and

harbours that grew during this time were the presidency towns of Bombay, Madras and Calcutta. Madras was the first to be acquired. It was a small site to the north of St. Thome purchased by the English from the local Rajah. It was in 1639 that a factory was erected by the English; and thenceforward it has attained an important place among the seaports of India. The next year, Hugli was made a centre of trade activities of Bengal. The Portuguese had already a factory at the place, and till the supremacy of Portugal was effectively challenged, no other foreign company could erect a factory there. A very interesting and instructive story is told of an English doctor who cured the daughter of Shah Jehan, and obtained from him permission to open a factory at Hugli. We have not yet been able to ascertain the truth of this story; but it does indicate the zeal and unselfishness of the English merchants of those times. The foundation of Calcutta has been described by Birdwood in the Report on the Old Records of the India Office. "In 1686, the English retreating from Hugli esta-

blished themselves under Job Charnock at Chatanati. The new settlement gradually extended itself to Kalikata and Govindpur, and from 1689 became the chief seat of the East India Company in Bengal. Fort William was originally built in 1696; and the three villages of Chatanati, Kalikata and Govindpur were finally assigned to the Company in 1700." Then again there was established another port on the west coast of India. To start with, Surat was the chief seat of the Company in the Bombay Presidency. But Surat was found inadequate and unsatisfactory from a commercial point of view. "The English were at the mercy of the Moghul Governor, who could, and frequently did, exercise his authority by imprisoning them whenever a difference occurred, besides perpetually hampering them by the imposition of extortionate customs dues. But the weakness of their position at Surat was finally demonstrated by the raids of the Mahrattas under Shivaji, which, though temporarily beaten off with success, showed that the town was radically

unsafe as a base".* The English, therefore, were looking for a new convenient port for them. At the beginning of the century, Sir Thomas Roe had suggested the name of Barhanpore for this purpose; but it was not approved of by the authorities. In the year 1668, the English Company was fortunate in securing a good port behind the group of islands now making the Bombay City from their Sovereign Charles II for a nominal rent of ten pounds a year. These islands belonged originally to the Portuguese Government but they had been presented to Charles at the time of his marriage with the daughter of the King of Portugal. The English King kept the islands in his possession for half a dozen years, during which period the experience showed him that financially the place was a dead loss to the country. The expenses that were incurred in connection with the upkeep and protection of the group of islands exceeded the revenues and customs that the place yielded. Charles, like other Stuart kings, being al-

* H. G. Rawlinson: *British beginnings in Western India*, page 118.

ways in need of money was too willing to give the place for any rent. Since that time, Bombay was developed by the Company as a first port, and it now occupies the first rank among the excellent ports aud beautiful cities of the world.

SHIPPING AND SHIP-BUILDING

Another important question which demands our attention under the heading of tranportation is the shipping and ship-building in India and the effects wrought upon it by the European trade. From the time the new sea route was discovered round the Cape of Good Hope, more importance was attached to the sea-going vessels than hitherto. Every promising nation in Europe began to build its own mercantile marine. The efforts of the English people in the matter of encouragement to the shipping and ship-building of their country are well-known. The sovereigns themselves took very keen interest in the matter. "Whereas there hath been in ancient times" runs a statute of Charles I, "divers good and politic laws made against shipping of merchandises in stranger's bottom, either inward or outward as, namely, the statutes of 5 Ric II,

4 Hen. VII, 32 Hen. VIII, which laws of later years have been much neglected to the great prejudice of the navigation of our Kingdom: We do straightly charge and command, that the said laws be from henceforth duly put in execution, and that none of the said Company, nor any other be permitted to export or import any of the above-mentioned commodities, in other than English bottoms, upon the pains in the said statutes contained, and upon pain of our high indignation and displeasure, towards all our officers and ministers which shall be found slack and remiss in procuring and assisting the due execution of the said laws" *. The Navigation laws of Cromwell went a good length in encouraging the East India Company to increase its marine trading in the East. While England was thus building a marine of her own, India was already a master of one. The principal ship-building centres in India were at the time in Bengal, Malabar Coast and in Gujerat. The development of Indian shipping and ship-building was a

* Bell: *Puritanism and Liberty*. Page 40.

sign of the triumph of Indian civilization, and it was by this means that the civilisation asserted itself and influenced other alien civilisations. Many of the trade commodities were carried in Indian vessels to other parts of the world where Indian articles had been known, and this was a stimulus to the industry itself. Akbar did a considerable service to this industry, especially in Bengal. His son Jehangir also tells us that he "issued orders for the construction of four hundred vessels" and that "in the course of two months, these were completed, all with awnings and curtains of elegant materials and workmanship". In the South, Shivaji, the founder of the Maratha Empire, also encouraged to build a marine, with the principal depot in the harbour of Kolaba. In short, this industry was considered to be a national industry and quite necessary for the very existence of the State. But when we began our trade with the Western Europe, our ship-building industry began to decay, for the simple reason that most of the commodities

that were carried to these countries were shipped in European vessels. Besides this set-back, there were also special efforts made by some of the English pirates to destroy Indian merchant ships. One Erry is said to have destroyed many ships sailing on the Arabian Sea and the Indian Ocean. One more cause of the decline of the industry was the apathy of the Kings towards the safety of the ships sailing on the seas, unlike the English or any other European sovereign. The province that suffered most on account of these three reasons was Gujerat, though Bengal and Malabar were not immune. "It is unquestionable," says Mr. Moreland, "that they (the commercial activities of Europeans) brought substantial economic benefit to growers of indigo and cotton, to weavers, to producers of silk and saltpetre, to the land transport industry, and to export merchants, classes of much greater importance in the aggregate than the pepper growers, ship-owners and ship-builders who may have been adversely affected by their operations."* There can be some ground for

* Moreland: *From Akbar to Aurangzeb*, page 229.

dispute as to what were the industries that were of "greater importance in the aggregate." It is also true that the Indian producers were brought into closer relations with the Western Europe and that Indians could secure "a more efficient carrying service, the charges for which were kept down by active competition." But what about the national loss India had sustained on that account? 'India now is without this most important organ of national life. There can hardly be conceived a more serious obstacle in the path of her industrial development than this almost complete extinction of her shipping and shipbuilding."* It should be noted that the English and the Dutch merchants were responsible to a certain extent for the increase in the production of certain commodities and consequently for the increase in their income; but the gain derived by a section of Indians from the European trade activities was a temporary one while the loss to India on account of this destruction of ship-building industry was permanent.

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* Mookerji: *History of Indian Shipping and Ship-Building*, page 253.

CHAPTER VII.

INDIA IN THE XVIIth CENTURY

THE STANDARD OF LIVING

The advantages and disadvantages that India had reaped on account of her trade relations with the Western Europe, have been, so far as the physical features of India were concerned, noted in the preceding chapter. In order to complete the picture we have undertaken to draw, it now remains to consider in broad outlines what effects the trade had on the condition of the people in general. The problem naturally involves the consideration of the standard of life at the end of the century. We find, to our regret nothing that can indicate any rise in the standard. A rise or fall in the income of an individual is an index to the rise or fall in the general standard of life; and so far as our enquiry into the matter was carried, we have been able to find out no record which shows any progress in the condition of the individual from the economic or financial point of view.

To put the whole situation in a sentence, the rich were rich and the poor were poor. One broad fact we notice is that the trade transactions of the Westerners did not affect the living of the rich so much as they did that of the lower class. The rich people had a fixed amount of income either as a salary from the State for the services lent by them or as an annual income from the landed property, and so far as their income was stationary, there could be no rise or fall in the life they led. But the case of the agriculturists and artisans was different. They produced saleable articles and received an amount which varied from time to time according to the market fluctuations. The European trade had some beneficent results on the volume of production of articles consumed in other countries than in India. As we have noted in another connection, the principal sections of producers that flourished owing to the European Trade were the producers of indigo, calico, saltpetre and raw silk. Silk was able to establish its sale in Japan, while calico, saltpetre and indigo were extensively exported to the countries in

Western Europe. If there were any among the producing classes that suffered during the period on this account, they were the growers of pepper in Malabar. Because, at the beginning of the century, the Westerners chiefly traded in this commodity, which fact induced many of the people to devote their time and energy in the production of that commodity. Moreover, the growers never found that the European companies were unwilling to purchase in large quantities. But as years passed on, this rivalry between the various foreign companies for the capture of Indian trade and market ended with the success of the English who became the only purchaser of Indian pepper. The interests of the English Company however, were many and wide. They found shortly that their trade in cotton, silk, indigo and saltpetre was more profitable to them than the trade in pepper, which they gradually neglected. Besides the Indian product being not of superior quality, it could not compete with that of the Spice Islands, the trade in which was monopolised by the Dutch merchants. This resulted in the non

cultivation of pepper on the former scale; many of the cultivators gave up the profession which did not bring them profit any longer; nor could they find any suitable profession for them. Thus the benefit from the European trade to Indians was partial and limited to certain localities and professions. And so far as the income of the individual was concerned, there were no signs of any marked alterations. "The spending power of the people was in any case so small that the presumption is altogether against the occurrence of anything of the sort. We may infer that some weavers, saltpetre-makers or indigo-growers found themselves in a position to eat rather more food or to spend rather more on clothes and metals; we may infer in the same way that a larger number of peasants found life harder; but there do not appear to be grounds for travelling further into the regions of conjecture." * So Mr. Moreland himself admits, not of course directly, that no substantial alteration was found in the standard of living of the people during the latter half of the century.

* Moreland: *From Akbar to Aurangzeb*, page 302.

THE LIFE OF PEASANTS

" We may infer," says Mr. Moreland, " that a large number of peasants found life harder." What was this due to? Was it due to the introduction of European element in Indian market or to something else? We have seen above, however, that the artisans, in general, produced their articles to order; that is, they did very little for the general market or for consumption of the people at large. The customers being again limited to a small section of the people, that is the upper class who could afford to spend a little on luxuries and works of art and beauty, the artisans had to work under the limitation of the market and the remuneration they could expect for their labour was scanty and insufficient for their maintenance and that of their family. They were very much lowly paid.* The produ-

* "From the same root it comes, that arts are languishing in those countries, or at least flourish much less than else they would do or do with us. For what heart and spirit can an artizan have to study well, and to apply his mind to his work, when he sees that among the people, which is for the most part beggarly, or will appear so, there is none that considers the goodness and neatness of his work, everybody looking for what is cheap, and that the grandees pay them but very ill, aud when they please." Bernier's *Travels*, pages 208-209.

cers of corn too were not in a better position than the artisans. For whatever was produced by them was purchased beforehand by the middlemen or merchants who used to store the grain and sell it at a time favourable to them. People belonging to the lower class being poor and living from hand to mouth had to yield to the terms of the merchants who were willing to advance money in expectations of à future harvest, or even to lend some in times of difficulty. The peasants were thus kept under obligation by the merchants or those who possessed money. "At each harvest, there was an urgent demand for coin, and the merchants who held coin in stock, could practically make their own terms. They had, however, to turn over their stock of produce in time to be in funds for the next harvest, and since the urban population was proportionately small, this condition secured to them supplies of food and other produce at less cost than if the markets were free".* There was again another factor that influenced the standard of living of the people. It

* Moreland: *From Akbar to Aurangzeb*, page 304.

is a maxim of commonsense that the producers support the non-producers. Among the non-producers may be counted the extremely poor and destitute, defectives and old, a certain part of women folk and the extremely rich. The two ends generally meet. These classes may be called parasites or paupers—paupers in the sense that they were not economically independent. In India of to-day, it is said that one out of nine is a non-producer ; but in India, in the seventeenth century, it is believed that broadly everyone out of five was dependent upon some other. Writers on the subject have taken into consideration the population of urban areas when they came to the above conclusion. It was, however, possible that the average of non-producers in rural countries was a larger one than in the average towns where we expect more people who could be put in the category of producers. But allowing the town average to be the average for the country as a whole, we find that one-fourth of every worker's produce was given away to maintain those who formed an econo-

mic burden on the society. This was not at all a happy state of the people. The telling sentences of Moreland would be more appropriate at this stage. He says. " weavers, naked themselves, toiled to clothe others. Peasants, themselves hungry, toiled to feed the towns and cities. India taken as a unit, parted with useful commodities in exchange for gold and silver, or in other words, gave bread for stones."

THE PRICE LEVEL

The importation of gold and silver is the next question that demands our attention. It is a fact known to all historians that during the period of the Great Moghuls, a large quantity of precious metals had been imported into India in exchange for Indian manufactured goods and raw materials. The annual importation of bullion during the last ten years of the century was no less than four millions of pounds. That India possessed so much quantity of wealth is a proof to believe that she was rich at the time. The existence of a large quantity of money, more than was necessary for the purposes of trade is generally manifested by

a rise in the price level; a rise in prices in its turn should raise the wages and finally the rise in wages means the possession of more spending power on the part of the workers. The standard of living is thus affected by the abnormal importation of bullion. But nothing of the sort seems to have taken place. In the first place, we notice that there was no rise in wages or in prices except in certain professions and in certain commodities, especially raw materials, due to other reasons than the importation of bullion. How, then, was this vast quantity of gold and silver spent and where did it go? Bernier has left us a satisfactory answer to this question. He tells us that the Moghul Empire was "an abyss of gold and silver"; but at the same time he says, "yet notwithstanding there appears no more of it among the people, than elsewhere; yea, rather that the people is less monied than in other places." As for the disposal of the metals, he says that there were chiefly three causes of their disappearance. The first was the consumption of metals "in melting over and over all those nose and ear-rings, chains,

finger-rings, bracelets of hand and feet, which the women wear, but chiefly in that incredible quantity of manufactures, wherein so much is lost, as in all the embroideries, etc. This is true even to-day and need no comments. Another cause was the " extortion and tyranny " of the State Officers, who left as little as possible to the people. Fortunately for us, we get no experience of this state of affairs in these days of British rule. And thirdly, there was the habit of hoarding money underground—a habit which is slowly disappearing now—" thus getting out of the ordinary commerce of men, and so dying, neither the King nor the State having any benefit by it; which is a thing that not only happens among the peasants and artizans but (which is far more considerable) amongst all sorts of merchants".* What was left after these deductions from the gross amount imported was coined at various mints and kept in circulation. In other words, this remaining quantity of money controlled the level of prices in general. The competition between the trading companies of the West in Indian

* Bernier's *Travels in Industan*, pages 204-206.

markets played an equally important part in keeping the prices steady. In normal times, competition among the purchasers may tend towards the rise in prices; but the experience of India has been otherwise. For the competition was not in the open market as is generally supposed to take place, but in advancing money before-hand. The peasants were always in utter need of money and one who would lend them earlier got the advantage over others; and the purchasing companies were thus securing commodities at a low price and selling them at abnormal prices in other countries outside India. But so far as Indians were concerned, they could not earn more in any way: and if at all there was any change in their income, it was on the negative side of it.

CONCLUDING REMARKS

The effects on the Indian economic conditions of the European trade in the 17th century have now been briefly noticed above. We began with a statement of the conditions of the people at the beginning of the century, and noticing thereon the growth of European trade during the century, which

was a new element introduced in the economical life of the country, we attempted to note down, as succinctly as was possible, the country's economic progress. The European trade, it must be owned, was a wholesome element in India. Had it not been for the European merchant adventurers, India, perhaps, would not have attained the position which she now enjoys. None would disagree with what has been asserted that "there was the gain resulting from the establishment of a new business organization, by which Indian producers were brought into close relations with the markets of Western Europe. . . . The development of external relations had thus brought substantial benefit at the moment and a promise of greater benefit to come." The momentary benefits, if they can be said so, have already been enumerated above during the course of our enquiry. The service that this trade rendered during the century to Indian arts and crafts, to Indian commerce and trade, to Indian agriculture and industry were immense. Every effort was made to improve the finished products, to

educate and instruct the illiterate and ignorant worker and to push forth into the markets of the world goods made in India. And the future, indeed, looked bright before the 17th century weavers of cotton and silk. But unfortunately for India, the English had to care for the interests of their own country. The National interests were paramount to them. The Act of 1700 which prohibited Indian manufactured goods into England was a turning point in the commercial policy of Great Britain towards India. The Navigation Laws of Cromwell had already served as an effective weapon for the destruction of Indian ship-building industry; but, in spite of that, if the English traders had followed the same policy which they adopted in the 17th century, India would have attained by this time a place among the leading manufacturing countries of the world. But it was not to be. The seeds of the extensive foreign trade were sown by the English merchants; they were watered by them by means of encouraging the Indian workers and instructing them whenever necessary; and when they grew into plants with a

promising hope of early fructification, their very roots were cut down by the axe of the Act of 1700. The export trade in cotton and silk gradually decreased, and many weavers were thrown out of employment. When the English weavers suffered on account of superiority of Indian manufactures, the State could come to their help ; but when the Indians were in a similar condition, none could succour them. The plight of those people could only be imagined. We find, however, that on the whole, India has gained as well as lost, owing to her trade relations with the West. If she has been placed on her way to Responsible Government and has gained from political point of view, she has lost heavily in industrial matters. Whether the loss or gain is more than the other can be decided by every one for himself. Dogmatisation and forcing one's views upon others is injurious. Some may give importance to political gain while some others will mourn the industrial loss. It is better to leave the balance sheet unprepared.

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